

**AVIATION SAFETY: THE RELATIONSHIP BETWEEN  
NETWORK AIRLINES AND REGIONAL AIRLINES**

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**HEARING**

BEFORE THE

SUBCOMMITTEE ON AVIATION OPERATIONS,  
SAFETY, AND SECURITY

OF THE

COMMITTEE ON COMMERCE,  
SCIENCE, AND TRANSPORTATION

UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

—————  
AUGUST 6, 2009  
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ONE HUNDRED ELEVENTH CONGRESS

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**AVIATION SAFETY: THE RELATIONSHIP  
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THURSDAY, AUGUST 6, 2009

U.S. SENATE,  
SUBCOMMITTEE ON AVIATION OPERATIONS, SAFETY, AND  
SECURITY,  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 10 a.m. in room SR-253, Russell Senate Office Building, Hon. Byron L. Dorgan, Chairman of the Subcommittee, presiding.

**OPENING STATEMENT OF HON. BYRON L. DORGAN,  
U.S. SENATOR FROM NORTH DAKOTA**

Senator DORGAN. We're going to call this hearing to order. Other colleagues will be joining us, but we want to begin on time this morning.

I want to thank all of you for joining us today to talk about the issue of aviation safety. This is the third hearing we will have held on aviation safety. And let me begin, at the start of this hearing, saying something that is, I think, pretty self-evident, that we continue to have a remarkably safe air travel system. It's not my intention, by having hearings on the subject of air safety, to cause people to wonder about whether, when they board a commercial flight in this country, they need to be worried. So—

We operate aircraft all across the United States—commercial, general aviation—every day. Commercial aviation, the airlines, I think, provide great service to our country. But, we do have a requirement, in my judgment, to examine whether we drift, from time to time, to—between standards and from standards. And, as you know, back in the 1990s, we had an FAA requirement of one safety standard. We now have migrated to a different kind of system. We haven't gone away from a hub and spoke system, necessarily, although there are more carriers flying between city pairs, but the migration has been to regional carriers that, in many cases, are employed by, and contracted by, the major carriers. They fly airplanes with the same markings. The American public don't know, necessarily, whether their getting on a trunk carrier or a regional carrier when they board a plane; they know they are boarding a plane with the same markings. And so, the question is, Is there one standard being enforced by the FAA?—and with respect to the issues that we wanted to explore today with both the major

carriers as well as the regional carriers, is, What is the responsibility of the major carrier to the regional carrier? And what's the responsibility of the regional carrier to the major carrier, on pilot training and crew rest and a whole range of issues? How does one deal with the issue of fatigue? What kind of connection or responsibility exists between a major carrier and another company that actually carries its brand and its logo on the plane that it flies?

The FAA has moved forward to bring together carriers to identify immediate steps that can be taken to strengthen aviation safety. And I appreciate that. In addition, our FAA reauthorization bill has a number of safety improvements, and I look forward to working to pass that through the full Congress and having it signed by the President. We have a responsibility, I believe, to get that done.

The hearings that we have held on air safety, as you know, were spurred by the tragic crash, in February, of Continental connection flight 3407 in Buffalo, New York. This is not a hearing about that crash. The National Transportation Safety Board has been doing an extensive investigation there. But, the public disclosure of a number of factors that existed with respect to that flight have caused this committee, and others, to raise questions about the one level of safety.

We will not be reexamining all of those issues with the Colgan tragedy; the NTSB is doing their job. But, what we want to do is to understand, What are the industry best practices, what are the requirements and standards that we, in the traveling public, should expect? The migration of our system, to about half of the flights in our country being flights on regional carriers, is a very different situation that existed a decade or two decades ago, and so, I think it requires us to be looking at, What are the standards for training and procedures, and what is the relationship between the major carriers and the regionals?

I'd like, if possible, to entertain very short opening statements today, and I'll—and then we'd like to get to the four witnesses. If we can do 2-minute opening statements, I'd appreciate it.

Let me call on Senator Hutchison, who's the Ranking Member of the full Committee.

Senator Hutchison?

**STATEMENT OF HON. KAY BAILEY HUTCHISON,  
U.S. SENATOR FROM TEXAS**

Senator HUTCHISON. Well, thank you, Mr. Chairman. I won't give my full remarks; I will put them in the record.

But, I think you have stated it well. We really are trying to look at the code sharing and, when there is a contract with another private owner for an air carrier, we want to know exactly what the safety precautions are, what the rules are, and, in our oversight capacity, just make sure that we're doing enough. It is an FAA responsibility. I think they have fulfilled that responsibility, in the main, through the years. But, I think we have looked at the differences between air carriers and commuters over the years, and we have made changes that have improved safety, and those are in place. So, I think it doesn't hurt to always err on the side of caution and make sure that we're doing everything possible in the

safety area, which is the plane and it's also the training and other pilot issues.

So, I thank you for continuing these hearings. It's a very important subject. And having been Vice Chairman of the National Transportation Safety Board myself, I am so familiar with these issues and the differences and what we've done, and maybe we should be looking for other things that we should do if we decide that there is some area that needs to be addressed.

So, thank you, Mr. Chairman.

[The prepared statement of Senator Hutchison follows:]

PREPARED STATEMENT OF HON. KAY BAILEY HUTCHISON, U.S. SENATOR FROM TEXAS

Senator Dorgan, thank you for holding this series of hearings on regional airline safety. I believe we put together a sound safety proposal in our recent FAA Reauthorization Bill based on the information provided in our previous two hearings on this topic. I look forward to working with you as the process continues to move forward.

Before I begin, I would like to take a moment and welcome and recognize Peter Bowler, President and Chief Executive Officer at American Eagle Airlines and Captain Don Gunther, Vice President of Safety at Continental Airlines. Both airlines are long-time Texas institutions and leaders in the field of aviation safety. I appreciate both of you taking the time to testify.

Despite the remarkable safety record of the U.S. aviation industry, the tragic accident of Colgan Flight 3407 reminds us we must remain vigilant and aggressively work to improve our aviation system, especially in hard to quantify areas such as fatigue and professional responsibility.

Today, we will specifically review the contractual code share agreements between network and regional airlines and the safety responsibilities involved with those arrangements. While reviewing this topic is timely, it is important we remember that it is the FAA's sole responsibility to oversee and regulate safety in our national aviation system.

Additionally, it is paramount that individual companies and carriers, regardless of code share arrangements, maintain a robust safety program that will provide the American public with the confidence that *all* our air carriers are safe and that the phrase 'one level of safety' really equates to one level of safety in an operational environment.

The message should be clear, it doesn't matter how small or whom you code share, it is the operator's responsibility to maintain a robust and effective safety management system at their airline. While best practices can and should be garnered from the network carriers through mentoring and other sharing programs—no company should rely on another to supplement what should be the fundamental operating principle at each and every carrier, which is the utmost level of safety.

Senator DORGAN. Senator Hutchison, thank you very much.

Senator Begich?

Senator BEGICH. Mr. Chairman, thank you very much. And I appreciate the hearing.

I'm going to actually pass and go right into the testimony.

Thank you very much.

Senator DORGAN. All right.

Senator JOHANNIS?

Senator JOHANNIS. I'll do likewise.

Senator DORGAN. Thank you very much.

We have four witnesses today. Captain Stephen Dickson is the Senior Vice President of Flight Operation in Delta Air Lines; Captain Don Gunther, Vice President for Safety with Continental Airlines; Mr. Peter Bowler, President and Chief Executive Officer of American Eagle Airlines; and Mr. Philip Trenary, President and Chief Executive Officer of Pinnacle Airlines.

Let us begin with Mr. Trenary. Would you proceed? And we'll go across to the left.

**STATEMENT OF PHILIP H. TRENARY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, PINNACLE AIRLINES CORP.**

Mr. TRENARY. Thank you, Mr. Chairman.

Senator DORGAN. And let me say, before you begin, we will include your entire statement as a part of the record, and we will encourage you to summarize.

Mr. Trenary, thank you for being here.

Mr. TRENARY. Thank you, Mr. Chairman and Members of the Subcommittee. My name is Phil Trenary. I'm the President and CEO of Pinnacle Airlines Corp., which is the parent company for Pinnacle Airlines and Colgan Air.

Before I offer my brief remarks, I'd again like to extend our deepest and heartfelt sympathy to all those who were touched by flight 3407. I know we have some of the family members here today. My prayers and thoughts continue to be with you daily.

I'd also like to thank the Subcommittee members for your work in aviation safety. I share your passion. I started in this business in 1977, as a flight instructor at Oklahoma State, and worked my way up to an airline transport-rated pilot, flying turbine equipment in domestic and international operations. The past 25 years, I've been a regional airline CEO; the past 12 years, at Pinnacle Airlines.

As the CEO, I recognize and accept that the responsibility for safety starts with me, and I can assure you that our 5,000 employees are dedicated to ensuring we safely transport the 13 million passengers who fly our airlines annually. Today, we offer about a thousand flights daily to 152 cities and towns across our Nation. We are very aware of our responsibility to our customers, our mainline partners, and our own people to maintain the highest level of safety. Our number-one guiding principle is: never compromise safety. At Pinnacle Airline several years ago, we were evaluating our performance, and, while we were very proud that we led the Nation in operating performance, we still asked the question, Are we the leader in safety?

While we met or exceeded all safety standards and all regulatory procedures, we felt we were not doing enough. At that point, we made the decision to be the leader in safety, just as we had in operations. We voluntarily started implementing the recommended programs—ASAP, FOQA, IAP, LOSA, now SMS. I might add that the LOSA program that we have implemented has all the attributes of the University of Texas protocol, FAA, and ICAO. In addition to that, not only do we have observers in the cockpit and the cabin, but also in the dispatch center during the observed flights.

We continuously work with our mainline partners to ensure we maintain the highest level of safety and cooperation with them. Approximately 2 years ago, we acquired Colgan Airlines. This is a wonderful organization, with very caring people doing a great job. We immediately started making the same investment in Colgan as we did in Pinnacle to implement these programs.

Our pilots at both carriers are very experienced. Our average captain at Pinnacle has over 6,900 hours of flight time; the average



captain at Colgan, over 5,300. Our average first officer at Pinnacle has over 2,800 hours, and at Colgan, over 2,000 hours. I believe that our pilots are among the best in the industry, regional or major. I have total confidence in their ability, training, and experience.

There has been a lot of discussion about compensation at the regionals. And at Pinnacle and Colgan, we have a philosophy, for all of our people, to target the average pay scales of the industry. We work with our pilot groups on the collective bargaining agreement and, over the years, have targeted the average of the industry.

There has been significant progress. When I joined Pinnacle, 12 years ago, the average salary for a captain was approximately \$36,000. Today that average salary is over \$64,000. The first officers have made some progress, but not nearly as much; they are still in the low \$20,000 range. I'm pleased to announce that we have several of our pilots here representing ALPA, including our Chairman. We worked together, over a long time and agreed on a tentative agreement for new contract, only 2 days ago, that will result in significant benefits for all of our people. We're doing the same thing at Colgan.

It's important to remember, and I hope the members of the Committee can understand, if you're not a pilot and haven't been a professional pilot, it is a great job. There's nothing like it. It's one of the most fulfilling jobs anyone can have—the freedom, the options, the ability to work with people who share the same passion. Simply stated, it's a career I would recommend to anyone as long as they have the passion for the business.

We do work with our pilots in scheduling flights. The flights are scheduled to allow ample time for rest. From a pilot utilization standpoint, the average pilot at Colgan flies approximately 53 hours; at Pinnacle, it's 63 hours. Average days off at Pinnacle are 16 days; average days off at Colgan are 14 days.

We do have a fatigue policy at both carriers. If a pilot is fatigued, for any reason, all they have to do is say so, and they're excused from duty. We have reserves available. The night of 3407—and I know we're not talking about that—but we did have 11 reserve pilots available, 2 in the ready room that were good to go. I believe our crews are professionals and take their job very seriously, and we expect them to report fit and ready to fly every day.

In closing, I'd like to personally thank the Subcommittee and the flying public and reassure the Subcommittee and the flying public that we will continue to make safety our top priority and do whatever it takes to maintain a leadership position in aviation safety. I would like to thank you for this opportunity to testify today. I look forward to working with you on these important initiatives and welcome any questions you have.

Thank you.

[The prepared statement of Mr. Trenary follows.]

PREPARED STATEMENT OF PHILIP H. TRENARY, PRESIDENT  
AND CHIEF EXECUTIVE OFFICER, PINNACLE AIRLINES CORP.

Chairman Dorgan, Ranking Member DeMint, and Members of the Subcommittee: My name is Phil Trenary and I am the President and Chief Executive Officer of Pinnacle Airlines Corp., which is the parent of both Pinnacle Airlines, Inc. and Colgan Air, Inc.

I would like to again express personally, and, on behalf of our entire family of employees, our deepest and most heartfelt sympathy to everyone who has been touched by the tragic loss of Flight 3407, especially those who lost loved ones. While recognizing that words alone are faint consolation, we share in the grief suffered by their relatives and friends. My thoughts and prayers are, and will continue to be, with them.

I would like to thank the Subcommittee for affording us this opportunity to share our thoughts about very important matters of aviation safety. We commend the hard work this Subcommittee has dedicated into examining these issues. The airline industry is extraordinarily safe because the government, airlines, our employees, labor and aviation experts work together cooperatively. We fully support and welcome this Subcommittee's commitment to aviation Safety.

I am extremely passionate about our industry and have dedicated my career to achieving continuous improvement in aviation safety and air transportation, primarily to areas of our Nation that have no other access to the National Airspace System. I began my career as a flight instructor at Oklahoma State University and worked my way up to a professional pilot holding an Airline Transport Rating flying turboprop and jet aircraft in domestic and international operations. I have been a regional airline CEO for the past 25 years, including Pinnacle Airlines since 1997.

Mr. Chairman and members of the Subcommittee, at Pinnacle Airlines and Colgan Air, Safety starts at the top of the Company—with me. And it is my responsibility to ensure that the leadership of our company promotes Safety throughout our organization in every action and in every communication to our employees. Safety is our number one Guiding Principle. It motivates everything we do. No accident is acceptable, period.

Our company is committed each and every day to making sure our flight crews and airplanes are as safe as humanly possible. In an industry where we all constantly search for best practices among our peers, Safety is the best practice of them all. Safety is good business. At our airlines, Safety is the foundation upon which everything else depends. Without a strong Safety culture, an airline will not survive. Our goal is to ensure that no airplane leaves the gate unless every Safety precaution has been taken.

Together, Pinnacle Airlines and Colgan Air employ almost 5,000 professionals, and the message of Safety is always uppermost in their minds. These fine men and women provide Safe airline transportation to over 13 million passengers annually to 134 cities and towns across North America.

I shoulder my responsibility with the utmost gravity, and I will not tolerate any less commitment from any of my staff.

I would now like to emphasize several key points that reflect this unwavering focus on Safety.

- *Our commercial relationship to mainline carriers begins with a deep commitment to Safety.*

Pinnacle Airlines and Colgan Air have code-sharing relationships with our mainline business partners. We provide the crew and the aircraft, while our partners set flight schedules, fares and customer-service standards. These arrangements allow carriers to serve markets that otherwise would have no scheduled airline service at all. Pinnacle Airlines operates a modern fleet of regional jet aircraft and flies over 740 Delta Connection flights daily to 120 airports. It flies out of four hubs: Memphis, Detroit, Atlanta, and Minneapolis-St. Paul. Colgan Air operates state-of-the-art turboprop airliners on over 350 flights per day. It is affiliated with three airlines and operates as Continental Connection, United Express and U.S. Airways Express.

A passenger purchasing a ticket on a mainline carrier's regional partner has every reason to expect the same high levels of service they would receive on the mainline carrier. Even more important, they have every right to expect that the mainline carrier and the regional partner have the same level of Safety.

And they do. A common misperception exists that regional airlines and mainline carriers are subject to different Safety standards. This is simply not true. All U.S. commercial air carriers are subject to the same standards and requirements, and receive exactly the same level of Safety oversight. Since 1995, the FAA has imposed one level of Safety on the entire air carrier industry. Thus, Pinnacle Airlines and

Colgan Air are independently required to meet exactly the same Safety standards as our mainline partners.

This is not to say that our partners do not take an interest in the Safety of our operations, because they do. Pinnacle Airlines and Colgan Air regularly communicate with our partners to discuss operating performance, safety programs and initiatives. All of our agreements provide extensive rights to our partners to inspect and review all aspects of our operations. The agreements with our partners also memorialize the requirement that we must comply with all Federal aviation regulations and operating rules promulgated by the FAA, the DOT and any other regulatory authority in the United States.

But aside from regulatory requirements, our partners take an intense interest in the Safety of our operations. The operating departments of Pinnacle Airlines and Colgan Air regularly communicate with their counterparts on a formal, scheduled basis, as well as engaging frequently on an informal basis. We share best practices. We ask for advice. We report our operational and Safety metrics regularly, and we use the expertise of our partners when developing our continuous program of Safety enhancement. Pinnacle Airlines was a leader in forming the "Safety Alliance" to share data with its code-share partners, and is implementing the same philosophy with Colgan Air.

In addition to continuous scrutiny by the FAA and our business partners, Pinnacle Airlines and Colgan Air regularly undergo Safety audits conducted by third parties as well. The most rigorous industry safety audit is performed every 2 years by the International Air Transport Association, which examines almost 2,400 items for compliance and documentation. Both of our airlines have passed this test, and in fact, Colgan Air completed its biennial audit just last week with a 98.8 percent conformance to IATA standard practices.

- *I want to underscore that Safety is our top priority and a continuous process.*

Several years ago Pinnacle Airlines committed to taking a leadership role in airline Safety. We were among the first to adopt a wide range of Safety programs and today we are one of only a few airlines, regional and major, to have adopted the full suite of voluntary Safety initiatives recommended by the FAA and NTSB. When we purchased Colgan Air, we made the same commitment and Colgan Air has already adopted many of the same programs. I have committed to our Customers, our mainline partners and to members of this Subcommittee that Colgan Air will be in the same position of leadership within the next few months. We implemented these voluntary Safety programs in both companies well before any calls for such programs to be mandatory in the industry, and we have regularly exceeded regulatory requirements in Safety initiatives.

These initiatives include:

- The Aviation Safety Action Program (ASAP). ASAP enhances safety by encouraging the voluntary reporting of regulatory non-conformance by our employees. The program is non-punitive and results in our Operations and Safety departments being able to gather information on potential Safety issues that we might not have known about were it not for the ASAP program. With this information, we have the ability to spot trends that could lead to Safety lapses. As more airlines begin using ASAP, sharing of a broader range of data will benefit us even more. Pinnacle Airlines and Colgan Air have expanded this program to include our Flight Attendants, Mechanics and Dispatchers.
- Flight Operations Quality Assurance (FOQA). This is a partnership among the airlines, the FAA and pilots. It collects data on what an aircraft did during a flight to identify potential safety issues and correct them before any Safety-related events take place.
- Line Operations Safety Audit (LOSA). This program uses highly-trained observers riding in cockpit jump seats to observe and evaluate crew performance. The observers record how flight crews manage various situations they encounter to maintain Safety. Pinnacle Airlines was the first regional airline to perform LOSA under FAA, University of Texas and ICAO standards.
- Internal Evaluation Program (IEP). This provides continuous oversight of the airline's internal procedures and policies for effectiveness and compliance. The focus is on evaluating processes in order to anticipate and address potential problem areas before compliance or Safety issues arise.

The combination of ASAP, FOQA, LOSA, and IEP provides the cornerstone for our Safety program and will be incorporated into our overall Safety Management System (SMS). Pinnacle Airlines is in phase one of the SMS process with the next

meeting with FAA and its consultant set in September. A three-party agreement (Airline, FAA, and Labor) is crucial for its success.

All Part 121 airlines have at least one or two of these programs in place, but it is not common to have all four. At Pinnacle Airlines and Colgan Air, our goal is to prevent accidents and our culture does not tolerate compromising Safety for economic reasons.

- *Pinnacle Airlines and Colgan Air have a philosophy of continuous improvement.*

Pinnacle Airlines has long maintained a high level, systematic approach to Safety, and with Pinnacle Airline Corp.'s acquisition of Colgan Air in 2007, this practice has been instilled at Colgan Air as well. New initiatives at Colgan Air include:

- Creating a remedial training and pilot monitoring program for pilots who have demonstrated difficulty during any phase of training or online evaluation.
- Increasing minimum flight experience requirements for new pilots and Captain upgrade candidates.
- Developing more robust fatigue guidance, including fatigue recognition and self-discipline for personal rest plans.
- Instituting stick pusher demonstrations in a flight simulator, despite the fact that flight simulator training on this issue is not required by the FAA and is not standard in the airline industry.
- Enhancing recordkeeping procedures by requiring retention of paper copies of training and checking failures as a backup to our electronic records.
- Implementing a new automated safety reporting process using a web-based database and automatic alerts to designated Directors and Managers.
- Increasing Safety Department observations of crew bases, outstations and jump seat observations.
- Evaluating safety reporting systems, including potential use of new technology such as text messaging for instant reporting on issues from the field.

For both Pinnacle Airlines and Colgan Air, the drive for constant improvement never ceases, and the list of enhancements to our Safety programs will continue to grow.

- *Our pilots are carefully screened and highly trained.*

Pinnacle Airlines and Colgan Air pilots meet the same high, federally-mandated standards as pilots at major air carriers and undergo a rigorous, multi-tiered evaluation process before they are hired. About two-thirds of those who are initially contacted for an interview are not offered a job. The minimum new hire experience requirement at each airline exceeds FAA requirements.

Colgan Air pilots undergo a thorough evaluation process before they are accepted into a training program, including testing by a certified check airman in a full-motion simulator, a step that is not widely-used in our industry as a component of the hiring process. In order to become a pilot with our airlines, training candidates must pass all ground training, simulator training, and checkrides, as well as background checks in accordance with the PRIA (Pilot Records Improvement Act). Limitations in the available information attainable through the current PRIA program have in the past made it difficult for airlines to review full aviation histories on applicants, and we hope that improvements suggested by this Subcommittee will include an expansion of access to prospective pilot records. Until such time as the PRIA program is expanded, Pinnacle Airlines and Colgan Air require all new applicants to bring all training records with them for their interview and agree to have their records verified through the Freedom of Information Act.

Pilots flying for Pinnacle Airlines and Colgan Air undergo thorough training programs which are fully approved by the FAA and normally exceed minimum requirements. For example, both Pinnacle Airlines and Colgan Air provide enhanced stall and upset recovery training. We also provide expanded training curriculums that include enhanced training in maneuvering, handling emergencies and mountainous terrain operations. We have initiatives in place to provide mentoring of new hires as well as crew-pairing to match experienced pilots with less-experienced ones. Our training uses state-of-the-art equipment such as the full-motion Level D simulators, flight management system trainers and ground flight simulators.

- *Compensation of our pilots is in line with industry standards.*

Our Captains at Pinnacle Airlines have, on average, over 6,900 hours of flight time while our Captains at Colgan Air average over 5,300 hours of flight time. Every Captain has an Airline Transport Pilot (ATP) rating, which is the highest

level of pilot certification available. All pilots are “type rated” on the specific aircraft they fly, and all ratings are issued by the FAA.

When I arrived at Pinnacle Airlines 12 years ago, our average Captain salary was approximately \$36,000. Today, at both Pinnacle Airlines and Colgan Air, our Captains earn an average of over \$64,000 per year, and our First Officers earn an average of over \$24,000 per year plus per diem allowances.<sup>1</sup> These average salaries, as well as starting salaries, are consistent with the regional airline sector. While starting base salaries for co-pilots may seem low, they must be viewed in the context of many other professions where higher salaries are achieved through progressive levels of responsibility. Also, our pilots’ wages are subject to the collective bargaining process and are negotiated with our pilot groups.

- *I want the Subcommittee to know that our policies require rested and fit flight crews.*

Pinnacle Airlines and Colgan Air carefully follow the duty and rest time regulations of the FAA. An automated crew scheduling system tracks duty time and ensures compliance with duty limitations and rest requirements in compliance with FAA regulations.

Crew schedules are developed to provide ample rest between duty days and periodic extended rest periods. For example, after a three or four consecutive day duty period, a pilot may have 4 or 5 days off. Such schedules are desirable for pilots in order to achieve those consecutive days of rest, and airlines want their pilots to have those days off to be ready for their next assignment.

Monthly schedules are determined well in advance of the beginning of each month, which helps pilots be ready for their next assignment. Due to delays from weather or air traffic control or other irregularities beyond the airline’s control, duty days do occasionally extend beyond the scheduled pairing times. Although 16-hour duty days are legal under FAA regulations, they are never assigned by Pinnacle Airlines or Colgan Air.

Our pilots are professionals and know the importance of proper rest. However, if a pilot does experience fatigue, the pilot has the ability to remove himself or herself from duty without facing punitive action from the airline. Simply stated, our fatigue policy is this: If you are fatigued, you do not fly. A pilot declaring fatigue will be excused from duty, and is asked to provide a report of the fatigue event which will only go to the Safety Department. The Safety Department in turn tracks the reports of fatigue for trend analysis in the development of our Fatigue Risk Management program. No pilot is punished in any way for declaring that he or she is too fatigued to fly.

- *Finally, let me emphasize that Pinnacle Airlines and Colgan Air have appropriate commuting policies.*

Throughout the entire airline industry, many pilots and flight attendants choose to live in communities other than where they are based. This is not unique to the regional airlines. The ability to live virtually anywhere one desires has long been an attraction for the airline profession, and crewmembers who elect to do so are free to live wherever they wish, provided they comply with all the requirements of their job. We do not, nor does any other airline in our country, regulate where any employee may choose to live. We do, however, expect our pilots, flight attendants, and all of our employees to present themselves fit for duty, regardless of where they reside. Commuting crewmembers have various options available to them for residence while at their base, including shared apartments, and we expect they will make suitable arrangements to ensure they always have proper rest before reporting for duty. Often these shared accommodations are minimal because crewmembers will only spend a few nights each month residing there, while the bulk of their duty days allow overnight stays away from the base in a company-paid hotel room. Commuting crewmembers will share residences for the time they are on duty, then return to their homes for their multiple days off. This practice is common for pilots and flight attendants at all carriers and at all levels of compensation.

We realize that commuting pilots sometimes encounter difficulties getting to work in time for their rest and their assignment. Therefore, we offer these pilots an option to call their airline in advance when they know they will not be able to report on time. This commuting policy aids the airline by ensuring it has ample time to reassign a flight to a reserve pilot, and also aids the pilot in knowing that he or she can notify the company of a missed assignment without facing any punitive action. Pinnacle Airlines and Colgan Air hire professional pilots who have an obliga-

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<sup>1</sup>2008 data.

tion to continuously maintain the exacting standards of their profession. We expect that these highly-trained men and women will use their rest periods wisely, prepare themselves for their flight assignments accordingly, and advise us if they are unable to perform their duties reliably.

There is no substitute for an airline's total commitment to Safety or the dedication of all crewmembers in the air and on the ground to upholding the highest professional standards at all times.

In closing, I want to assure this Subcommittee and the flying public that Pinnacle Airlines and Colgan Air will continue to make safety the highest priority and will aggressively seek to identify ways in which we can improve our operations and ensure that we operate the safest possible airlines. Again, I accept the responsibility for the Safety of all Pinnacle Airlines and Colgan Air customers and am fully committed to ensuring that our Airlines are recognized as leaders in airline Safety.

Thank you for the opportunity to testify today and for continuing the dialogue on these critical issues. I welcome any questions you may have.

Senator DORGAN. Mr. Trenary, thank you very much. Am I pronouncing your name correctly?

Mr. TRENARY. Yes sir.

Senator DORGAN. Thank you very much for your testimony. We appreciate your being here today.

Mr. Bowler, is President and Chief Executive Officer of American Eagle Airlines.

And, Mr. Bowler, thank you for being with us. You may proceed.

**STATEMENT OF PETER M. BOWLER, PRESIDENT AND CEO,  
AMERICAN EAGLE AIRLINES, INC.**

Mr. BOWLER. Chairman Dorgan, Members of the Subcommittee, my name is Peter Bowler, and I am the President and Chief Executive Officer of American Eagle Airlines, based in Fort Worth, Texas. I am responsible for American Eagle and Executive Airlines, two regional airlines that constitute the vast majority of the American Airlines regional network.

As a follow-up to Mr. Trenary's comments, let me also state that I and my colleagues at American Eagle and American Airlines offer our sympathies to the families and the loved ones of those lost on flight 3407.

American Airlines, American Eagle Airlines, and Executive Airlines are all wholly owned by AMR Corporation. Every day, 12,000 of my highly trained and experienced American Eagle and Executive colleagues operate approximately 1,500 flights to nearly 160 cities across the United States, Canada, Mexico, the Bahamas, and the Caribbean. We fly a fleet of modern regional jets and large turboprop aircraft.

From an organizational perspective, I report directly to Gerard Arpey, the Chairman, President, and Chief Executive of both AMR Corporation and American Airlines. I work closely with, and 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. My senior staff and I meet regularly with Mr. Arpey, and we discuss safety issues at each of these meetings. Periodically, I brief the American Airlines Executive Committee and also the AMR Board of Directors on the performance of, and strategic issues related to, American Eagle.

American Eagle has an autonomous safety department that reports directly to me. Eagle's Vice President of Safety, Captain Ric Wilson, a highly experienced pilot, holds an AVP mechanic's license

and has undergone extensive training in aviation safety practices. Captain Wilson is responsible for managing Eagle's various safety programs. He also interacts closely and frequently with his counterparts at American, his fellow American Eagle executives, the FAA, the NTSB, and the other Federal agencies with safety-related oversight responsibility. 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 formally on a quarterly basis and much more frequently on an informal basis. We coordinate as much as possible with each other while still respecting that each carrier has its own operating certificate and that each carrier is monitored, audited, and assessed individually by the FAA.

An example of the transparency of activities between Eagle and American is the fact that the Vice Presidents of Safety at both American and American Eagle meet regularly with American's general counsel to review safety programs and initiatives.

American Eagle has committed significant resources to the creation of a companywide safety culture. We have voluntarily adopted numerous safety programs for our flight crews, our ground personnel, our managers, and frontline airport employees. The programs range from comprehensive self-evaluation programs to internal audits to an aviation safety action program, which has been in place now since early this decade for our pilots, but which also covers our mechanics, our dispatchers, and soon will cover our flight attendants, as well.

We perform line observation safety audits (LOSAs), we participate in the Aviation Safety Information Analysis and Sharing Program coordinated by the FAA, as well as a number of employee injury-reduction programs.

We are ready to go with a Flight Observation Quality Assurance, or FOQA program, and we are awaiting final FAA signoff to commence that program.

The FAA is currently considering making many of these programs mandatory, and we fully support this initiative.

I'm extremely proud of the aviation professionals at American Eagle, and I believe we have the most experienced pilots, in particular in the regional industry. On average, our pilots have over 10 years of company seniority. Our captains average 16 years of seniority and 13,000 hours of flight time with our company. Our first officers average more than 4 years of seniority and over 4,000 hours of total flight time.

We have a well-established fatigue policy included in our flight manual that not only enables but requires pilots to remove themselves from flights they do not feel fit to fly. Further, we have a fatigue review board, consisting of a management pilot and a member of the Airline Pilots Association who reviews conditions surrounding our fatigue events.

We are confident that we operate an extremely safe airline; however, we are also cognizant that we can never be complacent. We are continuously striving to improve upon what is already an extremely safe operation.

Thank you again for the opportunity to join you today.  
[The prepared statement of Mr. Bowler follows:]

PREPARED STATEMENT OF PETER M. BOWLER, PRESIDENT AND CEO,  
AMERICAN EAGLE AIRLINES, INC.

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 8 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 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 2 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.

Senator DORGAN. Mr. Bowler—excuse me, Mr. Bowler, thank you very much.

Captain Don Gunther is next. He's the Vice President for Safety at Continental Airlines.

Mr. Gunther, you may proceed.

**STATEMENT OF CAPTAIN DON GUNTHER, VICE PRESIDENT;  
SAFETY, CONTINENTAL AIRLINES, INC.**

Captain GUNTHER. Chairman Dorgan, Senators, good morning. My name is Don Gunther, and I am Captain and the Vice President of Safety for Continental Airlines.

I served as an Active-Duty pilot for the United States Navy for 6 years, and I am a retired reservist. I have flown for Continental Airlines for 32 years. I have qualified on the Boeing 727, DC-10, and the Boeing 737, 757, 767, and I'm currently qualified, and still fly, the Boeing 777.

On behalf of my over-40,000 colleagues at Continental Airlines, it is an honor to testify today before this committee on one of the most critical and challenging topics in aviation: safety.

Before I go further, I'd like to share with you how deeply saddened the extended Continental family was by the Colgan Air accident that occurred near Buffalo earlier this year. Whenever there is an aviation accident, here or abroad, all aviation professionals worldwide grieve for the loss of the victims, the impact on their families, and the impact on our own personnel.

I have three points to make today, and then I will be happy to answer your questions.

First, we at Continental are committed to air travel safety. This is not a finite goal, it is a dynamic process that requires all players to strive toward continuous improvement. This continuous improvement is one of the essential elements of an effective safety management system known as SMS.

Second, Continental recognizes the leadership and oversight role of the Federal Aviation Administration in promoting and ensuring airline safety. There should be one regulatory standard to safety, and it should apply to all carriers. To ensure that level of safety, the FAA is the regulatory body responsible for overseeing every aspect of safety of every U.S. airline—regional, mainline, or network.

Third, Continental appreciates the opportunity to share some of its thoughts with this committee on how the safety bar can be raised. I will address those opportunities later in this testimony.

When it comes to establishing a commercial relationship with a regional carrier, the first step for a network carrier is to confirm that that carrier has a current operating certificate from the FAA, because we recognize the FAA's authority as the body responsible for determining the carrier's fitness to fly safely, authorizing the carrier's operation, and promoting and enforcing government safety standards.

Continental also obtains reviews—safety audits—performed by qualified independent entities, to learn more about a regional carrier. These include the International Air Transport Association's Operational Safety Audit, known as IOSA. The successful completion of an IOSA audit is considered a very good indication of a carrier's safe operations.

Second, the DOD survey, which is an audit performed by the military under the Secretary of Defense to ensure safety compliance of airlines that transport military personnel.

Striving to improve safety is the common goal of everyone in the airline industry. The aviation community appreciated the Administrator's June Call to Action and his leadership in asking that all

carriers reaffirm their commitment to safety. We believe the Call to Action, in combination with this committee's safety provisions found in the FAA reauthorization bill, will produce meaningful results on key topics, such as pilot records, pilot professionalism, and flight and duty time.

The Senate's FAA reauthorization bill also contains several key elements that will enhance safety. We applaud the Chairman and the Committee for mandating ASAP, FOQA, LOSA, and AQP. These and the other FAA voluntary safety programs provide a wealth of data that give the industry more predictive information that comes from day-to-day operations.

If we were to leave the Committee with one suggestion, it would be to ensure the availability of FAA voluntary safety programs across the industry through financial support and legislative protections.

In 1997, the FAA sponsored the FOQA demonstration project for air carriers with an FAA approved program, which included one regional carrier. This program included funding for the initial FOQA equipment and helped to establish a proactive approach to data-driven safety change. A similar approach to reach additional carriers would be equally effective.

ASAP reports provide critical data to airlines who seek to adjust their operations or training programs to enhance safety, but ASAP reports should be protected data, available to a court only under protective order. In the Comair case, once the word got out that ASAP reports might become part of the trial record, we saw an immediate drop-off in pilot reports. Thus, proactive safety enhancements were inhibited.

Mr. Chairman, let me end where I began. I'm a Captain at Continental Airlines, proud of my profession, and proud to spend every day of my career striving to improve safety of what is recognized to be the safest form of transport today. Safety is our shared goal. We look forward to working with you to improve safety as we go forward.

Thank you for your time and attention, and I'm happy to answer questions at this time.

[The prepared statement of Captain Gunther follows:]

PREPARED STATEMENT OF CAPTAIN DON GUNTHER, VICE PRESIDENT; SAFETY,  
CONTINENTAL AIRLINES, INC.

Good Morning. My name is Don Gunther and I am a Captain and the Vice President of Safety for Continental Airlines. I served as an active duty pilot in the United States Navy for 6 years, and I am now a retired Navy Reservist. I have flown for Continental Airlines for 32 years. I have qualified on the B-727, DC-10, B-737, B-757, B-767 and I am currently qualified on and still fly the B-777. And on behalf of my over 40,000 colleagues at Continental Airlines, it is an honor to testify today before this Committee on one of the most critical and challenging topics in aviation—safety.

Before I go further, I'd like to share with you all how deeply saddened the extended Continental family was by the Colgan Air accident that occurred near Buffalo earlier this year. Whenever there is an aviation accident here or abroad, all aviation professionals worldwide grieve for the loss of the victims, the impact on their families and the impact on our own personnel.

I have three points to make today and then I will be happy to answer your questions.

1. We at Continental are committed to air travel safety. This is not a finite goal—it is a dynamic process that requires all players to strive toward contin-

uous improvement. This “continuous improvement” is one of the essential elements of an effective Safety Management System (SMS). Continental is committed to working with all members of the aviation community to continuously improve the safety of our air transportation system.

2. Continental recognizes the leadership and oversight role of the Federal Aviation Administration (FAA) in promoting and ensuring airline safety. Continental understands and embraces its role as an air carrier certificated by the FAA to comply with all applicable laws of Congress and regulations of the FAA diligently, effectively and with commitment to the best interests of safety. Under the FAA regulatory framework, network carriers cannot and should not serve as a safety check for the operations and performance of regional carriers. There should be one regulatory standard of safety and it should apply to all carriers. To ensure that level of safety, the FAA is the regulatory body responsible for overseeing every aspect of the safety of every U.S. airline—regional, mainline or network. Continental is committed to partnering with other members of the aviation community to develop and implement safety solutions that work within the framework prescribed by the FAA. To maintain the integrity of our aviation system, however, network carriers must not usurp the FAA’s role by regulating or overseeing the certification and operations of regional airlines.

3. Continental appreciates the opportunity to share some of its thoughts with this Committee on how the safety bar can be raised. I will address these opportunities later in the testimony.

In reviewing the testimony delivered by other witnesses before this Committee earlier this year, the DOT Inspector General said it best with the comment, “Safety is a shared responsibility among FAA, aircraft manufacturers, airlines and airports. Together, all four form a series of overlapping controls to keep the system safe.”

At Continental we agree. Aviation professionals—whether they are employed by the government, the airlines, the manufacturers or the airports—come to work every day focused on a purpose—to assure employee safety and the safe passage of every aircraft and every airline passenger 24 hours-a-day, 7 days-a-week, 365 days-a-year.

Continental recognizes that even one fatality in an aviation accident is one too many. This recognition should not diminish our understanding of the many accomplishments and safety improvements that have been achieved in air transportation. The airline safety record compares favorably to other modes of transportation. Since 1938, when the government began keeping records of aviation accidents, the very worst year for airline fatalities was 1974, with 460 deaths recorded. By contrast, more than 40,000 people die each year in highway accidents. According to the National Safety Council, which publishes an annual report on accidental deaths in the United States and measures passenger deaths per 100 million passenger miles, airlines are consistently the safest mode of intercity travel, followed by bus, rail and automobile. This record speaks for itself.

Of course, the primary issue of the hearing today is not to determine whether the system is safe, but rather to examine the relationship between network carriers and regional carriers. The primary responsibility for airline safety regulation, for both network and regional carriers, lies with the FAA. Carriers are responsible for complying with all applicable laws of Congress and FAA regulations. The FAA’s major safety functions include reviewing the design, manufacture and maintenance of aircraft, setting minimum standards for crew training, establishing operational requirements for airlines and airports and conducting safety-related research and development. In short, the FAA sets the safety standards for all airlines, and all airlines are each individually responsible for ensuring their own compliance.

But, as the DOT IG pointed out in his statement to the Committee earlier this year, the FAA does not get its safety job done without extensive collaboration from other partners. Government and industry officials commonly work together to address recognized safety problems, usually through committees or task forces comprised of representatives of equipment manufacturers, airlines, pilots, mechanics, the FAA and NASA.

The Commercial Aviation Safety Team (CAST)—of which I represent the industry (ATA, RAA, Boeing, ALPA, etc.) and Peggy Gilligan, the FAA Associate Administrator for Safety, represents the Government (FAA, NASA, DoD, etc.), is a good example of collaboration within the aviation community for the benefit of safety. Examples of issues and activities that have been the object of collaboration for the benefit of aviation safety include: Aging Aircraft, Collision Avoidance, Wind Shear, Flammability Factors, Human Factors and Safety Management Systems (SMS).

Ms. Gilligan and I also co-chair the Aviation Safety Information and Analysis Sharing (ASIAS) program. ASIAS brings together data from airline Aviation Safety Action Programs (ASAP) and Flight Operational Quality Assurance (FOQA) pro-

grams with FAA data and other data from public sources. Currently these data are aggregated and analyzed by the MITRE Corporation and CAST has used this analysis to develop Industry Safety Enhancements. ASIAs includes data from both mainline and regional carriers and is a monumental step forward in data-driven safety change.

When it comes to regional carriers, the first step is to confirm that the carrier has a current operating certificate from the FAA because we recognize the FAA's authority as the body responsible for determining the carrier's fitness to fly safely, authorizing the carrier's operation, and promoting and enforcing government safety standards.

Continental also obtains and reviews safety audits performed by qualified independent entities to learn more about a regional carrier. These include:

- The International Air Transport Association's (IATA) Operational Safety Audit ("IOSA"). The successful completion of an IOSA Audit is considered a very good indication of a carrier's safe operations.
- The DOD Survey, which is an audit performed by the military under the Secretary of Defense to ensure safety compliance of airlines that transport military personnel.
- Other network carrier audits conducted using internally developed checklists, which are traditionally derived from IOSA standards. These audits may occur by an individual carrier or using shared resources when a regional operator partners with more than one network carrier.

Continental communicates regularly with regional carriers and follows up on any notice it receives of safety or operational concerns relating to regional carriers.

We in the aviation community appreciate the opportunity to discuss real issues and challenges in our industry. This Committee and the FAA have taken significant and constructive steps toward improving safety in the aftermath of the Colgan Airlines accident.

Striving to improve safety is the common goal of everyone in the airline industry. The aviation community appreciated the Administrator's June "call to action", and his leadership in asking that all carriers reaffirm their safety commitment. Continental has and will continue to do so. We believe the "call to action" will produce meaningful results on key topics such as pilot records, pilot professionalism and flight and duty time. Continental participated in the first meeting here in Washington in June and will be participating in the subsequent "road shows" that are scheduled to take place around the country this summer.

Furthermore, Continental is an active participant in the FAA's Advisory Rule-making Committee (ARC) on Flight, Duty and Rest Requirements. We remain committed to the Administrator's stated goal that we should have a proposal ready by Labor Day and are actively attending all sessions and contributing to the final product. We are optimistic that the ARC will embrace SMS as a basis for moving forward with flight and duty time regulations. SMS is an overarching philosophy under which all functions of airline management take an active role in contributing toward safety awareness, education, cost justification, resource allocation and conservation, product reliability and overall performance.

The FAA Reauthorization Bill, which you and your colleagues introduced just a few weeks ago, contains several critical elements that will enhance safety. We applaud the Chairman and the Committee for mandating ASAP, FOQA, LOSA and AQP. These, and the other FAA voluntary safety programs, provide a wealth of data that give the industry more "predictive" information that comes from day-to-day operations. Continental Airlines already has all of the FAA voluntary safety programs in place and we are proud of the work that we do with our ALPA coworkers and the FAA to make sure the data collected through these programs enhances training and operations to improve the level of safety at Continental.

Success stories using FOQA and ASAP data to drive safety change occur on a regular basis at Continental. I would like to share with you one Continental experience that shows the power of this proactive approach to reducing risk. Initially, both FOQA and ASAP data indicated that a small number of our crews were not following the Traffic Collision Avoidance System (TCAS) commands to climb or descend. Even though the numbers of crews not following the TCAS commands were low, the risk was assessed as high by members of the Flight Operations Safety Action Team, which includes members from Flight Operations, Training, ALPA Safety and FAA personal from our local office. The decision was made to enhance TCAS training in both ground school and simulator training. Following this training, the data showed near-perfect compliance by the Continental flight crews. This issue and its implemented solution occurred 18 months prior to a tragic mid-air collision (not

involving Continental) over Germany due in part to TCAS compliance issues on the part of a crew. In other words, the predictive data we obtained through FOQA and ASAP allowed us to identify a trend, make a change in training and follow-up with ongoing monitoring for compliance—clearly a successful outcome for all parties.

If we were to leave the Committee with one suggestion, it would be to ensure the availability of FAA voluntary safety programs across the industry through financial support and legislative protections. In 1997, the FAA sponsored the FOQA Demonstration Project for air carriers with an FAA approved program, which included only one regional carrier. This program included funding for the initial FOQA equipment and helped to establish a proactive approach to data-driven safety change. A similar approach to reach additional carriers would be equally effective. After the COMAIR accident in Lexington several years ago, attempts were made to use ASAP reports as evidence in the trial. ASAP reports provide critical data to airlines who seek to adjust their operations or training programs to enhance safety. But ASAP reports should be protected data available to a court only under a protective order—in the COMAIR case, once the word got out that the ASAP reports might become part of the trial record, we saw an immediate drop off in pilot reports, thus proactive safety enhancements were inhibited.

Mr. Chairman, let me end where I began. I am a Captain at Continental Airlines—proud of my profession and proud to spend every day of my career striving to improve the safety of what is recognized to be the safest form of transport today. Safety is our shared goal, and it is why I am here today. We remain firmly committed to the collaborative process that we believe yields the most positive results to help this industry prevent the next accident. We look forward to working with you to improve safety going forward. Thank you for your time and attention, and I am happy to answer questions at this time.

Senator DORGAN. Captain Gunther, thank you very much for being here.

And, finally, we will hear from Captain Dickson, who is a Senior Vice President for Flight Operations at Delta Air Lines.

Captain Dickson?

**STATEMENT OF CAPTAIN STEPHEN M. DICKSON, SENIOR VICE PRESIDENT, FLIGHT OPERATIONS, DELTA AIR LINES**

Captain DICKSON. Thank you Mr. Chairman. I want to thank you and the Committee for holding this hearing.

All of us in the airline industry have as our first responsibility the task of getting you and all of our customers to their destinations safely. It's a straightforward goal, but underlying it is a complex set of processes that have been developed over time and provide a remarkable platform for success in the U.S. aviation industry.

Delta currently operates more than 2,500 mainline flights per day and 3,500 per day through our nine regional operators, all under the umbrella of Delta Connection. We continuously monitor all 6,000 flights, as safety in this industry is not a competitive issue for us, but, rather, a collaborative one, where we share best practices with each other as a routine matter. We all feel the loss when an accident occurs.

This hearing's letter of invitation reminds us that we must continually examine and constantly improve aviation safety. At Delta, we are continuously driving enhancements to our safety programs, not only for our mainline operations, but with all nine of our regional affiliates at Delta Connection.

Oversight plays a critical role in aviation safety. Congressional, administrative, and internal oversight all continue to drive home the simple objective that safety is first. Delta supports and strongly

endorses Administrator Babbitt's call to action, and we are working with the FAA on the important initiatives outlined therein.

And I would now like to address the three areas that the FAA has asked each of us to review, beginning with the Pilot Records Improvement Act.

Delta has a long-standing practice of requiring pilot applicants to complete the PRIA check prior to hiring and training, and to provide privacy waivers that allow us to perform thorough background and performance checks. This includes the voluntary disclosure of FAA records, as well as any information regarding any accidents, incidents, or violations, including pending investigations.

We perform an extensive review of applications, based on 20 competitive factors. The applicant then completes an in-depth interview and testing process, which measures complex problem-solving skills, personality characteristics, and cockpit fit.

Successful candidates proceed to a medical exam, psychological evaluation, and a cognitive test that evaluates the individuals' ability to multitask in the cockpit.

Delta Connection carrier pilot hiring processes are all conducted by the certificateholder under Part 121, and those processes are regulated and inspected by the FAA.

Second is FOQA and ASAP. Delta has existing ASAP and FOQA programs. These programs have been expanded beyond pilots to include dispatch, maintenance and load planners, covering nearly 20,000 of our employees. Our data analysis process supporting all these programs is strong, with closed-loop processes that directly provide feedback to the appropriate training programs. Today these multiple data sources allow us to identify and analyze trends and achieve the goal of a proactive safety management system. While these programs are deemed voluntary, we work with our regional carriers to ensure they successfully implement and manage these enhancements. We believe all of our regional carrier partners should have FOQA, ASAP, IOSA, and DOD certifications.

The third area is regional carrier oversight. At Delta, we ensure that our nine regional carrier partners have robust operations and safety programs. It's our job to set the standards. Under the DOT and FAA regulatory system, each regional carrier has the responsibility to manage its own Part 121 operations. Therefore, we do not and cannot directly manage our regional partners' safety and quality issues. However, we do go to great lengths to ensure they have a solid safety record and fully comply with all regulations.

Moreover, we believe the oversight function is so important that two of our senior officers at Delta, both of whom report to Delta's Chief Operating Officer, directly oversee our regional partners' operations and safety programs. The Delta Connection carriers have committed to achieving the highest levels of safety in accordance with our standards. We're requiring all of them to operate with a standard dashboard of safety metrics similar to those that we use a mainline Delta. We hold monthly meetings with all connection carriers to review operational and safety performance.

Finally, I want to add that, while the airline industry has the best safety record of any mode of transportation, even one avoidable accident is too many. As we're sitting here, the FAA has commenced a call-to-action conference in Atlanta today, and until I re-



ceived your invitation a few days ago, I had planned to lead our delegation at that event.

We look forward to working with you, Mr. Chairman and this Committee, as well as the Administrator, to see that necessary upgrades to our safety programs are made. Our customers, our industry, and our Nation deserve nothing less.

And finally, in closing, Mr. Chairman, I'd like to note and acknowledge the presence of Captain Lee Moak, our ALPA MEC Chairman, along with the Chairman and Vice Chairman of our nine regional partners, who have joined us, in a collaborative spirit today, on aviation safety.

Thank you.

[The prepared statement of Captain Dickson follows:]

PREPARED STATEMENT OF CAPTAIN STEPHEN M. DICKSON, SENIOR VICE PRESIDENT,  
FLIGHT OPERATIONS, DELTA AIR LINES

Mr. Chairman, I want to thank you and the Ranking Member for holding this hearing. All of us in the airline industry have as our first responsibility every day and on every flight—to get you and all of our customers to their destinations safely. We know our customers also want to arrive on time and on schedule, but first and foremost, safely. It is a straightforward goal, but underlying that objective is a complex set of processes that have been developed over time and provide a remarkable platform for success in the U.S. aviation industry.

We also recognize when an accident occurs, it is a true tragedy, not only for the loved ones and crew members on that flight but for the entire aviation industry. I have been involved in aviation for over 30 years and in the airline business for almost 20 years. As the Senior Vice President of Flight Operations and a Delta 767 captain, I am responsible for Delta's 12,400 pilots flying in the mainline operation. Additionally, I oversee Delta's day-to-day flight operations, as well as pilot training, pilot standards, technical support, pilot staffing and scheduling, as well as our quality assurance/compliance functions. I also serve on Delta's Operations Council. Prior to joining Delta, I graduated from the U.S. Air Force Academy and flew F-15s in the Air Force and fully appreciate the importance of high level safety standards. Today, I am a member of the IATA Operations Committee, serve as Chairman of the ATA Operations Council, Chairman of the RTCA NextGen Implementation Task Force and Chair of the Air Traffic Management Advisory Committee (ATMAC).

Delta currently operates more than 2,500 flights per day as part of our mainline operation and 3,500 per day through our 9 regional operators—all under the umbrella of Delta Connection. We continuously and closely monitor all 6,000 flights per day as safety in this industry is not a competitive issue for us but rather a collaborative one where we share best practices with each other as a routine matter. We all feel the loss when an accident occurs.

The hearing's letter of invitation captured the issue at hand most succinctly: "While the U.S. aviation industry is experiencing the safest period in its history, the tragic accident of Flight 3407 on February 12, 2009, reminds us that we must continually examine and constantly improve aviation safety." *This is absolutely true.*

At Delta, we are continuously driving enhancements to our safety programs not only for our mainline operations but with all nine of our regional affiliates at Delta Connection. Oversight plays a critical role in aviation safety—Congressional, Administrative and internal oversight all continue to drive home the simple objective—safety is first.

In June, we saw considerable focus on the importance of improving regional airline safety, including this Committee's hearings, as well as Secretary LaHood and Administrator Babbitt meeting with carriers and pilot unions to review specific areas to achieve improvements. Following the meeting with industry leaders, the Administrator sent a letter to each carrier seeking policy changes on pilot records. The letter also announced regional safety forums and asked each carrier to implement Flight Operations Quality Assurance (FOQA) and Aviation Safety Action Programs (ASAP) (which we have done at Delta and are in the process of implementing at all Delta Connection carriers). We support and strongly endorse Administrator Babbitt's actions and are working with the FAA on these important initiatives.

I want to add that as the Aviation Rulemaking Committee initiative moves forward, we are working directly with the FAA on safety issues through a wide web

of safety working groups. Delta personnel are active members on many industry safety groups. This is an ongoing process for us and for the FAA.

I want to address the three areas that the FAA has asked each of us to review.

### **1. Pilot Records Improvement Act (PRIA) at Delta**

Delta has a long-standing practice of requiring pilot applicants to provide privacy waivers that allow us to perform thorough background and performance checks. This includes the voluntary disclosure of FAA records. Delta further requests information regarding any reported or unreported accidents, incidents or violations, including pending investigations. We perform an extensive review of applications based on 20 competitive factors, which exceeds FAA requirements (*i.e.*, education, prior work experience, etc.). The applicant then completes an in-depth interview and testing process, which measures complex problem-solving skills, personality characteristics and cockpit fit. Successful candidates proceed to a medical exam, psychological evaluation and a cognitive test suite that evaluates the individual's ability to multitask in the cockpit.

All newly hired pilots are required to complete the PRIA check prior to hiring and training. As verification of our process, in 2008, Delta passed a records review by the FAA of all PRIA checks for 2007 and 2008 new hire pilots. Delta Connection carrier pilot hiring and training systems are all conducted by the certificateholder in accordance with Part 121 and those processes are regulated and inspected by the FAA.

### **2. FOQA and ASAP at Delta**

Delta has existing ASAP and FOQA programs. These programs have been expanded beyond Pilots and Flight Operations, to include Dispatch, Maintenance and Load Planners, totaling nearly 20,000 employees. Particularly, our Delta Connection carriers have safety program elements such as ASAP and FOQA, as well as IOSA registration, DOD certification, safety management systems, and special winter operating programs. While these programs are deemed voluntary under FAA rules, we work with our regional carriers to ensure they are successful in implementing, managing and overseeing these enhancements. We believe all of our regional carrier partners should have FOQA, ASAP, IOSA and DOD certifications.

Our data analysis process supporting all these programs is strong, with closed-loop processes that directly provide feedback to the appropriate training programs. Utilizing our pilot training data and audits, ASAP, FOQA and employee reports, we understand that no one system provides a clear picture of an issue but instead combine this data enabling us to see trends develop. Today, these multiple data sources allow us to analyze trends and achieve a proactive safety management system.

### **3. Regional Carrier Oversight**

At Delta, we ensure that the certificated 121 regional carriers flying as Delta Connection carriers have robust operations and safety programs. Our nine regional carrier partners represent a substantial percentage of our available seat miles and it is our job to set the standards for our carriers. Under the DOT and FAA regulatory system, each regional carrier has the responsibility under its Certificate of Public Convenience and Necessity to manage its Part 121 operations. That legal responsibility, under our regulatory structure, rests with the designated leadership of each certificated carrier. Therefore, we do not, and cannot, directly manage our regional partners' safety and quality issues. Delta does go to great lengths to ensure that these carriers flying our passengers have a solid safety record and fully comply with all Part 121 regulations.

Delta assumes the responsibility to closely monitor all levels of the operation. In fact, we believe the oversight function is so important that two of our senior officers, both of who report to Delta's COO, directly oversee our regional partners' operations and safety programs. We require our regional partners to fully comply with Part 121 regulations. In addition, we are requiring all of our regional partners to operate with FOQA, ASAP, IOSA and DOD Programs and Standards. We closely oversee their operations by requiring a standard dashboard of safety metrics and reporting similar to the methodology we employ at mainline Delta.

*Specifically:*

- A. The Delta Connection Carriers have committed to achieving the highest levels of safety in accordance with the Delta standards.
- B. The Delta Connection Carriers are implementing a common set of safety programs and metrics.
- C. We hold monthly meetings with all Delta Connection Carriers to review operational, safety and regulatory performance. Our standing monthly agenda includes a review of top-level safety performance metrics that are common among

all carriers, review of safety investigations and our quality audit and safety reporting programs, review of each carrier's response to FAA Safety Alerts and discussion on common strategies to mitigate current industry safety risks.

D. We will include contractual language in our Delta Connection Airline Services Agreements regarding the operational and safety requirements to be a Delta Connection Carrier.

Finally, I want to add that while the airline industry has the best safety record of any mode of transportation, even one avoidable accident is too many. As we are sitting here, the FAA has commenced a Call to Action conference in Atlanta today. Delta has sent its key leadership to the meeting as we all seek to improve safety. In fact, until I received your invitation a few days ago, I had planned to lead our delegation at that meeting. We look forward to working with you, Mr. Chairman, and this Committee, as well as the Administrator, to see that necessary upgrades to our safety programs are made. Our customers, our industry and our Nation deserve nothing less.

Senator DORGAN. Captain Dickson, thank you very much for your testimony.

Mr. Trenary, your company, Pinnacle and Colgan, flies as a partner for U.S. Airways, United, Northwest, Delta, and Continental. And it—I guess the question—one of the overriding questions for me at this hearing is, What responsibility does a major carrier that employees a regional carrier by contract have for the standards at that regional carrier?

I will be flying tomorrow, and when someone asks me, "What carrier do you take?" I'll say, "Northwest." I probably won't be on Northwest; I'll be on a plane that's painted with "Northwest" on it, or "Delta," perhaps. But, I never tell anybody, when they say, "What are you flying?" I say, "Pinnacle." I've never said that, just because, I—you know, I have a Northwest ticket and are—going back and forth to North Dakota.

And so, the question is, What are the standards, here, that Continental would apply to the regional partner, or that United or Delta would apply to the regional partner, when they employ either a Pinnacle or a Colgan? And it—the two captains raised the question, and, I think, answered it, saying—I think Captain Dickens said—Dickenson—Dickson, rather, said, "We cannot, and do not, manage the safety issues of the regional carriers." And I believe, Captain Gunther, you stated that you didn't believe that network carriers should serve as a safety check for the operations and performance of the regional carriers. I think the position is, that's the FAA's job.

My question, though, is, If a network carrier, a major carrier, is deciding to contract and put their colors and their brand and their logo on another fuselage, do they not have a responsibility? And, if so, what is that responsibility, beyond the FAA, with respect to procedures, training, and so on?

Give the two captains a chance to answer that.

Captain GUNTHER. Chairman, you're correct, we firmly believe that the FAA sets the standard, industrywide. But, additionally, when we look at our regional carriers, besides the steps I outlined in my opening statement, where we will look at those third-party audits, make sure they have a certificate, we do an onsite visit to ensure they have the processes and controls in place to stay compliant with those standards. In addition to that—and I will state this; it's been years—we have been an open door at Continental to show a carrier our safety programs. The problem is, if I take my stand-

ards, which are based on the FAA standards, and put those onto another carrier, that carrier may have agreements with three other major carriers; and if they do the same thing, I think that may create more of an issue for that carrier. But, rather, what I would see us do is open up programs that we find beneficial, ask those carriers to take those programs, see how they fit into their operation, and develop those. And one thing I've always said is, "After you develop those programs—and we will assist you—bring it back, because there's something you made better, and we want to share best practices."

Senator DORGAN. But, that approach represents opportunity, rather than responsibility, it seems to me.

Captain Dickson, do you want to respond?

Captain DICKSON. Mr. Chairman, I think we do have a responsibility, but it goes beyond what the regulations require. In other words, as you pointed out very succinctly, those are Delta passengers on our aircraft, so, from a customer service perspective, from an operational perspective, and from a safety perspective, we, at the mainline carrier, certainly want them to perform to the levels that we have set out for them. So, there's a distinction between managing individual programs and requiring that those programs and processes exist. And as a matter of course, we actually have a tighter co-chair relationship, in that respect, with our feeder carriers than we do with our international co-chair partners. Normally we use the IOSA process to cover that.

Senator DORGAN. I think you'll be asked about the international issue this morning, as well, perhaps.

But, Mr. Bowler, does American Eagle fly as a regional carrier for a company other than American?

Mr. BOWLER. We do not have any aircraft dedicated to flying for other mainline carriers. However, in a few of the cities we serve, we carry other airline codes on our aircraft.

Senator DORGAN. And what's the relationship between American and American Eagle with respect to the responsibilities for training and so on? You—is there a relationship that is different than the other carriers?

Mr. BOWLER. Well I think the fact that there is common ownership—and in my position reporting to the Chief Executive at American, with full transparency and regular meetings, it enables us to view our customers in common. There may be a greater flow of information and a greater sharing of best practices and current performance and metrics, than might be the case between carriers which don't share a common ownership.

Senator DORGAN. Mr. Trenary, the fact is, regional carriers are paying lower salaries than the network carriers in the cockpit. Is that correct?

Mr. TRENARY. That's correct.

Senator DORGAN. And more and more flights, particularly to the spokes of hub-and-spoke systems, migrated to the regional carriers. My assumption is, one of those reasons would be for economics. You can—economic reasons—you can pay a crew less money if they're riding—or, if they're working on a regional carrier than a network carrier. And so, a network carrier sends its plane, with its

name on, owned by another company, in to pick up passengers and take them to the hub, and are paying less for that.

And so, the question—and, again, my understanding is four of the last crashes that have occurred—commercial aviation crashes—have been with regionals. And I don't know what that says, actually, but the question is, Isn't there, by definition, less experience in the cockpit and a circumstance where you might feel differently riding on a network carrier versus a regional carrier, just because you have less experience and are paying less money, and perhaps are attracting a different kind of crew?

Mr. TRENARY. Mr. Chairman, you should not. The most important word here is "competency." The drive toward the regional aircraft that we have today was not to have the ability to pay pilots less. We didn't have the aircraft we have today, 20 years ago; we didn't have the regional jets, we didn't have the new-generation turboprop aircraft. We have so many more aircraft, with much more capability. The markets we fly to, almost exclusively, would not work with the mainline aircraft we have today. So, it's more an issue of aircraft versus any sort of labor issue, as far as making that work.

It's important to recognize that the pay structure is one that's been around a very long time. It's the one I came into. If you look at the Administrator, I think he'd share with you that what he came into, relative to what a regional pilot comes into today, versus 10, 20 years ago, is very much the same. There have been increases. I urge you, please do not ever equate professionalism and competency with pay. There are many aviation professionals in the cockpits of airplanes landing at the airport here today that are highly professional, some make over \$100,000, some make less than that. They are all professionals.

As for the competency issue, too many people equate hours as being the sole factor you look at for experience. Thirty years ago, that was true; today, it's not. We have so many tools we use—advanced training, the high-tech simulators. The young people who are coming to our cockpits today have so much more to work with now than they did even a decade ago. So, I'm very confident putting customers on these airplanes for our partners.

Senator DORGAN. Right. I have other questions. I'll wait until other have completed their questioning. But, I have a fair number of questions about fatigue, crew rest, a wide range of issues, that I want to cover today. But, in fairness to all my colleagues, I want to recognize all of them first.

Senator HUTCHISON?

Senator HUTCHISON. I'd like to ask all four of you, the NTSB and other stakeholders have suggested additional use of the cockpit image and voice recorders as safety and analysis tools. What are your thoughts on added use? I mean, we all know that the cockpit voice recorders have been very valuable, and the recorders that show how a plane is pitched and all of the technical data, as well. But, there can be more, and they can be longer. My question is, to all of you, would that be a good addition? Would you support it?

Let me start with Captain Dickson and we'll go down the line.

Captain DICKSON. Thank you, Senator. I do believe there is a possibility to begin down that path. However, it would have to be

under the auspices of a voluntary safety program, and handled in the same manner as FOQA data, where it's de-identified and put in with all the other data-sharing that we have. I think that's the only way to move forward with a program like that.

Senator HUTCHISON. Voluntary on the part of the pilots?

Captain DICKSON. In other words, as part of a program such as FOQA or ASAP, under the current voluntary safety programs that are already set up with the FAA. Of course, if those become mandated, it could be part of those programs, as well. The point is it would have to be handled very carefully, and be part of a trend system, as we see with FOQA data today.

Senator HUTCHISON. Thank you.

Captain Gunther?

Captain GUNTHER. I would share the caution. With the cockpit voice recorder, when the NTSB works with that, it's in a very structured investigation, and many times the cockpit voice recorder is very difficult to establish a timeline with the real-world dynamics of the airplane, and takes time.

Additionally, statements made out of context, which may be just a stress-relief statement or to bring people back into the situation, can be misconstrued. So, the protections for that would be very important.

And I would tend to agree that a voluntary program, where you have the three parties agree to it—the regulator, the company, and the association—and much like an ASAP or FOQA program, may be effective, but there are some technical issues, especially with the CVR.

Senator HUTCHISON. Mr. Bowler?

Mr. BOWLER. I'd share Captain Gunther's perspective. I think there may be information that would be valuable from a more systematic program, but I think one of the foundations of the programs that have made the biggest difference is that they have come as a result of a collaborative approach to data-gathering and -sharing, and that's only possible when all three parties believe that it's in their best long-term interest to participate.

So, I think it would be critical to have our pilots' association onboard, and appropriate safeguards of how the information is going to be used.

Senator HUTCHISON. Mr. Trenary?

Mr. TRENARY. I agree with Peter. We used to use FOQA as an accident investigation tool. Today, it's accident prevention. The same could be true for the CVR. The key is, as the other panelists have indicated, we could do it exactly like ASAP, as far as having collaboration with the pilots. The people who run the professional standards—air carriers—are very focused on aviation safety. We can put it in their hands, de-identified, and report back to management, just as we do with ASAP and FOQA. And I believe that would be a tremendous help—and make the CVR, not just an investigation tool, but a prevention tool as well.

Senator HUTCHISON. I'd like to ask Mr. Bowler and Mr. Trenary, given their two different perspectives. Obviously, a carrier that contracts with another company for use of airplanes flying under the carrier name has the right to inspect and have certain safety rules. My question is, how much is that used—Mr. Trenary, from the

standpoint of a contractee, and, Mr. Bowler, from a contractor standpoint—how much do you have your own people inspecting these contract airplanes that are used?

Mr. Trenary?

Mr. TRENARY. Having them inspect us?

Senator HUTCHISON. Yes.

Mr. TRENARY. Yes, it's an ongoing basis. If you look at each carrier, each one is a little different, but, to use Delta and Continental as examples, the Delta operation is the collaborative that we talked about, where you have the metrics, the meetings, sharing best practices. Part of that is sharing audits that we have, which, gives them insight into what's going on in our fleet. So, it's a very structured environment, where you're looking at the different metrics, what's driving safety issues and best practices.

At Continental, it's very much the same way, as far as, "What do you need? What can we help you with?" It's constant communication. A great example is on Colgan. Continental has offered to help establish their ASAP program. Continental has an outstanding CRM program, with additional fatigue threat and error management as part of the program that Colgan and Pinnacle have adopted. So, they see all of our audits, including IOSA, DOD, and any independent audits we do, in addition to our own work. They ride on our aircraft. There are visits from time to time. But, the real foundation for the audit process between the carriers goes to the formal programs, back and forth.

Senator HUTCHISON. OK.

Mr. Bowler?

Mr. BOWLER. We have similar audit programs that we undertake ourselves and which are performed on Eagle and Executive Airlines by the FAA, by the DOD, and by other code-sharing carriers. Those are, of course, made available to, and reviewed by, the safety executives at American Airlines. And, as well, as a part of virtually all of our meetings that review performance of American Eagle, whether it's briefing the Chairman or it's briefing my fellow members of the Executive Committee at American, they include safety components, which may include these items or they may include items that not—

Senator HUTCHISON. Do you have an ongoing program? You're self auditing, which I think is very good, but do you also have an inspection routine with your contracts?

Mr. BOWLER. Well we—American Eagle and Executive Airlines represent in excess of 90 percent of the total regional operations for American Airlines. So, those activities—all of the audit and surveillance activity performed on us, on our two regional certificates—are made fully available to—provided to the American Airlines safety department, and they are reviewed, at a high level, with the senior executives, as a part of Eagle's ongoing governance processes.

American does have a contract with one additional regional carrier, and it reviews similar information on that carrier.

Senator HUTCHISON. You do have inspection routines, as well, on the contract carriers that carry American Eagle's name but that you're contracting for the airplane.

Mr. BOWLER. Well, you know, American Eagle does not contract with other regional airlines.

Senator HUTCHISON. Do you contract with other airplane providers?

Mr. BOWLER. No. Eagle has a relationship with American. American has a—

Senator HUTCHISON. Right. I'm—

Mr. BOWLER.—relationship with Eagle and with one other regional airline, Chautauqua Airlines. And they—

Senator HUTCHISON. I understand that. What I'm trying to find out is, do you contract with another company to use their airplanes, flying under your name, American Eagle's name?

Mr. BOWLER. No.

Senator HUTCHISON. Thank you.

Mr. BOWLER. The—we own Executive Airlines, and that operates in the Caribbean and Florida and—

Senator HUTCHISON. But you own the planes.

Mr. BOWLER.—carries—we own the airline. It's—

Senator HUTCHISON. Correct.

Mr. BOWLER. It's a subsidiary, actually, of American Eagle Holdings Company.

Senator HUTCHISON. As I understand it, you're saying you don't contract to use someone else's airplanes.

Mr. BOWLER. That's correct.

Senator HUTCHISON. Thank you.

Senator DORGAN. Senator Begich?

**STATEMENT OF HON. MARK BEGICH,  
U.S. SENATOR FROM ALASKA**

Senator BEGICH. Thank you very much, Mr. Chairman, again, for holding this hearing. And for the four participants, thank you for being here.

First, I want to make sure you know where I'm coming from. And I do this at every one of these, because I think you need to understand my personal interest, but also my legislative interest, here. I lost my father when I was 10 in a plane, a smaller plane. He was never found. It was the largest air search in the Nation's history. And because of that result, locator beacons were then required in planes, after that. So, I come from a unique experience. My mother was 34 years old and had to raise six kids. So, I want to give you, kind of, where I'm coming from, so nothing is personal to you, but it is personal to me.

I'm going to ask you two, first, quick questions, and this can be, hopefully, "yes" or "no," and then I'm going to follow up on, I think, a couple questions that Senator Hutchison asked.

First, do you have any opposition—there's some legislation that's moving through regarding adding a safety member to the FAA's Management Advisory Council. Why don't we just start down the row, here. Do you have any objection to adding a safety member to the FAA Council?

Captain DICKSON. Delta has no objection.

Captain GUNTHER. No objection.

Mr. BOWLER. I can't imagine—no.

Mr. TRENARY. No.

Senator BEGICH. The second one is, On the websites and any activity that identifies your carrier, would you object to any format



to identify who your subcarriers are? Mostly for the majors. Like when you have American Airlines, and if it's Eagle flying, it should say "Eagle."

Captain DICKSON. I'm not sure I should speak for the corporation on that. Certainly, from an operational perspective, there's no impact to me, but it's really beyond what I'm responsible for.

Senator BEGICH. Would you relate to your corporate entity that I'd like a response to that?

Captain DICKSON. Absolutely.

[The information referred to follows:]

Answer. The actual operator, as required by DOT, is identified at the time of purchase. For Delta, the specific operator is identified to customers when they purchase through our reservations phone lines, and the information is displayed for Internet users on our website. In addition, the "operated by" identification is made again on the ticket and again on the boarding pass. Finally, for Delta and Delta Connection customers boarding a regional aircraft, the regional partner is displayed on the fuselage of the aircraft just outside the boarding door. Attached is an example of the "operated by" identification found on our website *delta.com*.



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= Lowest

Departs	Arrives	Stops	Travel Time	Flights & Cabin (Class)	Price per Passenger (USD) Round trip
8:20am DCA	2:50pm ANC	1-stop Minneapolis/St Paul (1 hr 30 min layover)	10 hr 30 min	<p>Delta 3276 Coach (L) Airbus A319 View operated by Seats Northwest Airlines In-Flight Services</p> <p>Delta 3508 Coach (L) Boeing 757 View operated by Seats Northwest Airlines In-Flight Services</p>	<p><b>From \$620.00</b> round trip + \$40.90 Taxes/Fees = \$660.90</p>
5:00pm DCA	12:10am ANC	1-stop Salt Lake City (1 hr 24 min)	11 hr 10 min	<p>Delta 1239 Coach (L) Boeing 757 View In-Flight Seats</p>	<p><b>From \$620.00</b> round trip</p>

				<p><b>Delta 1201</b> Coach (L) Boeing 757 <a href="#">View</a> <b>In-Flight</b> <a href="#">Seats</a> <b>Services</b></p>	
6:35am DCA	2:50pm ANC	1-stop Minneapolis/St Paul (3 hr 25 min layover)	12 hr 15 min	<p><b>Delta 3346</b> Coach (L) Airbus A319 <a href="#">View</a> operated by <a href="#">Seats</a> Northwest Airlines <b>In-Flight</b> <b>Services</b></p> <p><b>Delta 3508</b> Coach (L) Boeing 757 <a href="#">View</a> operated by <a href="#">Seats</a> Northwest Airlines <b>In-Flight</b> <b>Services</b></p>	<p><b>From \$620.00</b> round trip + \$40.90 <a href="#">Taxes/Fees</a> = \$660.90</p>
6:25am DCA	2:50pm ANC	Multi-stop Detroit-Wayne County (1 hr 36 min layover) Minneapolis/St Paul (1 hr 9 min layover)	12 hr 25 min	<p><b>Delta 2560</b> Coach (L) Airbus A319 <a href="#">View</a> operated by <a href="#">Seats</a> Northwest Airlines <b>In-Flight</b> <b>Services</b></p> <p><b>Delta 2909</b> Coach (L) Airbus A320 <a href="#">View</a> operated by <a href="#">Seats</a> Northwest Airlines <b>In-Flight</b> <b>Services</b></p> <p><b>Delta 3508</b> Coach (L) Boeing 757 <a href="#">View</a> operated by <a href="#">Seats</a> Northwest Airlines <b>In-Flight</b> <b>Services</b></p>	<p><b>From \$620.00</b> round trip + \$49.60 <a href="#">Taxes/Fees</a> = \$669.60</p>
6:25am DCA	2:50pm ANC	Multi-stop Detroit-Wayne County (46 min layover) Minneapolis/St Paul (2 hr 1 min layover)	12 hr 25 min	<p><b>Delta 2560</b> Coach (L) Airbus A319 <a href="#">View</a> operated by <a href="#">Seats</a> Northwest Airlines <b>In-Flight</b> <b>Services</b></p>	<p><b>From \$620.00</b> round trip + \$49.60 <a href="#">Taxes/Fees</a> = \$669.60</p>

				<p>Delta 3508 Coach (L) Boeing 757 View operated by Seats Northwest Airlines In-Flight Services</p>	
12:04pm DCA	8:44pm ANC	<p>Multi-stop Minneapolis/St Paul (1 hr 15 min layover) Seattle (1 hr 14 min layover)</p>	12 hr 40 min	<p>Northwest 1705 Airbus A319 In-Flight Services Coach (L)</p> <p>Northwest 627 753 In-Flight Services Coach (L)</p> <p>Northwest 7458 Boeing 737 operated by Alaska Airlines In-Flight Services Coach (L)</p>	<p><b>From \$620.00</b> round trip + \$44.50 Taxes/Fees = \$664.50</p>
6:10am DCA	2:50pm ANC	<p>Multi-stop Cincinnati (47 min layover) Minneapolis/St Paul (1 hr 56 min layover)</p>	12 hr 40 min	<p>Delta 6514 Coach (L) CRJ 700 View operated by Seats Comair In-Flight Services</p> <p>Delta 6128 Coach (L) Embraer View 145 Seats operated by Freedom Airlines Inc In-Flight Services</p> <p>Delta 3508 Coach (L)</p>	<p><b>From \$620.00</b> round trip + \$48.10 Taxes/Fees = \$668.10</p>

				Northwest Airlines In-Flight Services	
6:00am DCA	2:50pm ANC	Multi-stop Atlanta (39 min layover) Minneapolis/St Paul (1 hr 12 min layover)	12 hr 50 min	<p>Delta 1951 Coach (L) Boeing 737- View 800 Seats In-Flight Services</p> <p>Delta 1744 Coach (L) MD-88 View In-Flight Seats Services</p> <p>Delta 3508 Coach (L) Boeing 757 View operated by Seats Northwest Airlines In-Flight Services</p>	<p><b>From \$620.00</b> round trip + \$49.60 Taxes/Fees = \$669.60</p>
5:00pm DCA	1:55am ANC Arrives 15 Oct	Multi-stop Portland (1 hr 39 min layover)	12 hr 55 min	<p>Delta 1239 Coach (L) View Seats Change Planes In-Flight Services</p> <p>Delta 9003 Coach (L) Boeing 737 View operated by Seats Alaska Airlines In-Flight Services</p>	<p><b>From \$620.00</b> round trip + \$44.50 Taxes/Fees = \$664.50</p>
12:30pm DCA	9:47pm ANC	Multi-stop Detroit-Wayne County (1 hr 28 min layover) Seattle (1 hr 26 min layover)	13 hr 17 min	<p>Northwest 1775 DC-9-30 In-Flight Services Coach (L)</p> <p>Northwest 215 Airbus A320 In-Flight Services Coach (L)</p>	<p><b>From \$620.00</b> round trip + \$44.50 Taxes/Fees = \$664.50</p>

				900 In-Flight Services Coach (L)	
5:00pm DCA	2:30am ANC  Arrives 15 Oct	Multi-stop Salt Lake City (45 min layover) Seattle (2 hr 9 min layover)	13 hr 30 min	Delta 1239 Coach (L) Boeing 757 View In-Flight Seats Services  Delta 1267 Coach (L) Boeing 757 View In-Flight Seats Services  Delta 9059 Coach (L) 73Q View operated by Alaska Airlines Seats In-Flight Services	<b>From \$620.00</b> round trip + \$44.50 Taxes/Fees = \$664.50
3:00pm DCA	2:30am ANC  Arrives 15 Oct	Multi-stop Atlanta (2 hr 1 min layover) Seattle (2 hr 14 min layover)	15 hr 30 min	Delta 1969 Coach (L) Boeing 737- 800 View In-Flight Seats Services  Delta 1061 Coach (L) Boeing 757 View In-Flight Seats Services  Delta 9059 Coach (L) 73Q View operated by Alaska Airlines Seats In-Flight Services	<b>From \$620.00</b> round trip + \$44.50 Taxes/Fees = \$664.50
12:00pm DCA	12:10am ANC  Arrives 15 Oct	Multi-stop New York- Kennedy (2 hr 40 min layover) Salt Lake City (1 hr 34 min layover)	16 hr 10 min	Delta 6732 Coach (L) CRJ 100 View operated by Comair Seats In-Flight Services  Delta 95 Coach (L) Boeing 757 View In-Flight Seats	<b>From \$620.00</b> round trip + \$49.60 Taxes/Fees = \$669.60

				Delta 1201 Coach (L) Boeing 757 View In-Flight Seats Services	
2:00pm DCA	2:30am ANC  Arrives 15 Oct	Multi-stop Atlanta (2 hr 51 min layover) Seattle (2 hr 14 min layover)	16 hr 30 min	Delta 1967 Coach (L) MD-88 View In-Flight Seats Services  Delta 1061 Coach (L) Boeing 757 View In-Flight Seats Services  Delta 9059 Coach (L) 73Q View operated by Alaska Airlines Seats In-Flight Services	<b>From \$620.00</b> round trip + \$44.50 Taxes/Fees = \$664.50
1:00pm DCA	2:30am ANC  Arrives 15 Oct	Multi-stop Atlanta (3 hr 53 min layover) Seattle (2 hr 14 min layover)	17 hr 30 min	Delta 1965 Coach (L) MD-88 View In-Flight Seats Services  Delta 1061 Coach (L) Boeing 757 View In-Flight Seats Services  Delta 9059 Coach (L) 73Q View operated by Alaska Airlines Seats In-Flight Services	<b>From \$620.00</b> round trip + \$44.50 Taxes/Fees = \$664.50
10:40am DCA	12:10am ANC  Arrives 15 Oct	Multi-stop New York- Kennedy (3 hr 55 min layover) Salt Lake City (1 hr 34 min layover)	17 hr 30 min	Delta 6730 Coach (L) CRJ 100 View operated by Comair Seats In-Flight Services  Delta 95 Coach (L) Boeing 757 View In-Flight Seats	<b>From \$620.00</b> round trip + \$49.60 Taxes/Fees = \$669.60
				Delta 1201 Coach (L) Boeing 757 View In-Flight Seats Services	

Captain GUNTHER. Senator—and, again, I’m in safety, but my understanding of DOT regulations is, we’re required to do that. And there are a number of—either a check-in, whether it’s online

or at the station where that is shown—I know it’s on—on our ticket stubs, it does show who they’re flying on.

Senator BEGICH. On the stub, but the websites are the—

Captain GUNTHER. And I believe it is also on the website for Continental, yes, sir.

Senator BEGICH. Very good.

Mr. BOWLER. As it is for American and American Eagle.

Senator BEGICH. I don’t know if—let me go into—I’m going to follow up, and I want to make sure I understand this correctly. In the contracts that you sign with regionals—because there’s an agreement; it’s not just, you call them up and say, “Give me a plane.” You have a detailed contract. I can only imagine how detailed it is. In there, you must have a safety level and standard that you require. Would I—am I correct on this? And this, again, is just “yes” or “no,” because I’m going to get into the next question.

Captain DICKSON. That’s correct, at Delta.

Captain GUNTHER. That’s correct, sir.

Mr. BOWLER. Yes.

Mr. TRENARY. Yes.

Senator BEGICH. OK. Within that, are there scheduled routine requirements of inspecting, not just audits, but, I mean, physical inspections, by the majors into the regionals, of their safety and what they’re doing or not doing?

Captain DICKSON. There are not, currently. I will tell you that the contracts at Delta right now are in a little bit of a state of flux, due to the merger with Northwest. So, we are actually evolving and merging the two oversight programs that Delta and Northwest had with their respective regional feeders.

Senator BEGICH. So, that’s not in there now.

Captain DICKSON. It is not—inspection processes, per se, are not in there, no. No, Senator.

Captain GUNTHER. And not in the Continental contracts.

Mr. BOWLER. No. It—the agreement between American Airlines and American Eagle are agreements between two subsidiaries—

Senator BEGICH. But, I—I understand that, but I guarantee you, they’re separate entities, so if you go bankrupt, they may not go bankrupt. Right? That’s why they’re subsidiaries. So, the contract itself, do you have in there, safety routine inspections from American to Eagle?

Mr. BOWLER. I don’t believe that’s spelled out in the agreement, no.

VOICE. No.

Senator BEGICH. OK. That, I think, was Senator Hutchison’s concern. And so, I’ll just kind of put that on the side. I would—by the question, I hope that implies what I’m hoping that you think about doing, because I think that’s part of the equation here. Depending always on the FAA is great, but you have an obligation—I think you said it very well, Captain—in regards to your customer. They’re a Delta customer. Doesn’t matter what they fly. So, the standard that the customer expects is the same on any—in any given—

Do you have a document—again, for all four of you, that would show—I’m a very visual person, so I like to see flow charts, so forth—but, do you have a chart, that would be able to be done, that



says, for the majors—and maybe it's to these three, here—here's what we require for safety, the procedures, the timetables, all those—and then, for your regionals, what boxes are checked that correspond to the same ones you do? Do you have such a document?

Captain DICKSON. I don't have it with me today, Senator, but I can provide it.

Senator BEGICH. OK.

Captain GUNTHER. We don't have such a document, no, sir.

Senator BEGICH. Can you produce such a document?

Captain GUNTHER. Well, I—

Senator BEGICH. I'm assuming, if Delta can, of course the competitor—

Captain GUNTHER. Well, we—

Senator BEGICH.—can do the same thing.

Captain GUNTHER. The answer is, yes, we could produce it.

Senator BEGICH. OK, good.

Mr. BOWLER. I'm afraid I'm unclear of the document you're looking for, sir.

Senator BEGICH. Let me clarify, if I can, Mr. Chairman.

If you have—and, again, you're kind of in a different—because you're Eagle, so you have to kind of look to American. But, assume American, which I'd put money on it, I'll bet on it, that they have a list of—“For our planes to move through the air, here is our safety list of things we require—routine checks, this—you know, whatever it might be—routine inspections, pilot issues, a variety of things.” They'll probably have a shopping list. I want to see that comparable to what they require of you, or you of them. In other words, do you have the same requirements that they have? What boxes aren't checked? What are not consistent in the safety of the two types of planes—or, airlines? Do you have such a document?

Mr. BOWLER. It sounds like what you're calling—you're requesting is a checklist for operating aircraft at the two different airlines. Our checklists are different, as we're at a—separate—

Senator BEGICH. Right.

Mr. BOWLER.—certificate. And—

Senator BEGICH. I understand that, from a technical standpoint, but—so, you do have a difference. What I want to see is what those differences are. If the regional—or, if the major requires X amount of routine inspections, and the regional requires Y, I want to see the difference. That then will drive future questions. To be very fair to you.

Mr. BOWLER. I'd be happy to get that for you.

Mr. BOWLER. I think it's a complicated response, because the maintenance—

Senator BEGICH. Here's what we'll do, Mr.—

Mr. BOWLER.—requirements of each aircraft are different.

Senator BEGICH. Here's what we'll do, Mr. Bowler, and then I'll turn to the last one. Whatever Mr. Dickson has, we'll use that as the baseline, because obviously they've done it.

Mr. Trenary?

Mr. TRENARY. I think the answer is yes, but not contractually required.

Senator BEGICH. I understand that part.

Mr. TRENARY.—and by that I mean, if you came and said, “OK, we’re going to require you to do this,” I think it would be very easy to produce that, because you do have all these processes and procedures you’d have to agree to. It would be a matter of formalizing it, putting it in a format, whether it is Delta’s or another carrier.

Senator BEGICH. Right.

Mr. TRENARY. So, I’m confident it’s there. You have the rule, but the rule doesn’t say you have to stop there; you can go above that rule.

Senator BEGICH. Correct.

Mr. TRENARY. I’m confident we’re doing what you’re suggesting. It’s a matter of putting it in a format that would display what we’re talking about.

Senator BEGICH. Understood. I’m just trying to see if there are—

Mr. TRENARY. I understand.

Senator BEGICH.—differences. And then, that will drive questions of, you know—

Mr. TRENARY. Right.

Senator BEGICH.—why. And you may have some very rational reasons, maybe, why, but that helps us understand what the standardizations are.

Thank you, Mr. Chairman, for those questions.

Senator DORGAN. Senator Begich, thank you very much.

Senator Johanns?

**STATEMENT OF HON. MIKE JOHANNS,  
U.S. SENATOR FROM NEBRASKA**

Senator JOHANNNS. Thank you, Mr. Chairman.

Gentlemen, thank you for being here.

Let me just go down the row, here, and try to do this very quickly. Mr. Trenary, what is the starting salary for a first officer in your airline?

Mr. TRENARY. It’s in the low 20s. Now, that will go up significantly in about the next 60 days. By “significantly,” approximately 20 percent.

Senator JOHANNNS. Mr. Bowler?

Mr. BOWLER. Approximately \$22,000.

Captain GUNTHER. It’s approximately \$30,000.

Captain DICKSON. And Delta’s about the same, about \$30,000.

Senator JOHANNNS. You know, it just strikes me—and I appreciate, your pilots are professional; I don’t doubt that for a second. But, what you’re paying them, I think they qualify for every government program we’d have. The two at the end of the table could probably even put their families on food stamps. I just find that remarkable, when they’re charged with the responsibility of people in their airplanes. I just find it remarkable. And I don’t know enough about your industry to explain why that happened.

On the regional versus the major, I’m assuming the major contracts with you, because the economics are just simply better, and they can fly that route cheaper than they could fly it themselves. Would that be true, Captain?

Captain DICKSON. Yes, it would, Senator. Generally speaking, we are able to increase the breadth of our network and serve many smaller communities with our regional partners.

Senator JOHANNNS. And have you ever done a study of how much cheaper you are to do a route from, say, Washington to Omaha, or Washington to wherever, versus a major?

Captain DICKSON. Yes, we have. Yes.

Senator JOHANNNS. What would the percentage be?

Captain DICKSON. Well, it depends on the particular mission. You have to look at the network as a whole, because one of the functions of our regional carriers is to build traffic out of our hubs. If we have a hub, particularly one of our smaller, connecting hubs that doesn't have a lot of originating traffic or enough critical mass there, then we will build traffic into the hub. So, it's very difficult to look at each segment—

Senator JOHANNNS. Just give me—

Captain Dickson.—on—

Senator JOHANNNS.—the range. Is it 5 percent to 50 percent?

Captain DICKSON. I would say probably, depending on stage length and the airplane you're talking about, maybe 15 or 20 percent.

Senator JOHANNNS. Mr. Gunther, would that be true in your situation?

Captain GUNTHER. That would be outside my expertise, Senator. There are a number of variables to consider, but by contracting with regional carriers, Continental gains cost efficiencies. It would not be economical for Continental to serve smaller markets without the benefits of the infrastructure, fleet and operating costs enabled by regional carriers.

Senator JOHANNNS. OK.

Mr. Bowler?

Mr. BOWLER. Depending on the route, it could be a dramatically greater difference.

Senator JOHANNNS. Just give me the range—5 to 50?

Mr. BOWLER. I'd rather—I'd prefer to get back to you with a formal—

[The information referred to follows:]

Answer. American's decision to allocate mainline or regional aircraft to a particular market is based on a number of factors—but the primary driver is matching supply of seats offered to a particular market's demand. The decision is not one of "cutting costs", but rather of "maximizing profits." The cost difference between the regional and the mainline can vary dramatically, depending on the route, frequency and type of aircraft, but the revenue generated on those flights also varies widely. In some instances, American Eagle will have lower absolute costs of operation on a particular route, but American is likely to collect far less revenue on that regional flight. If demand in that market was strong, it might justify serving the route with a mainline jet to capture the additional revenue. All routes are regularly evaluated to determine their profitability—and we routinely adjust our schedule to ensure we are matching the service we provide to the current demand for travel. In some instances, this means substituting a mainline jet for regional service, and vice versa.

Senator JOHANNNS. OK, you'll provide that to the Committee.

Mr. Trenary?

Mr. TRENARY. I don't have access to the majors' information. What I can tell you is that, if you look at any carrier, major or regional, one of the issues is you can't operate a whole lot of different

aircraft types. You've seen our industry, over the past several years, major or regional—

Senator JOHANNNS. So, you'd say that—and I have to tell you, I almost smile when you say that. Why can't a major airline own a small airplane?

Mr. TRENARY. If you look at the maintenance, training, inventory, overhead to support each aircraft, and you look at your lowest-cost carriers, and they have one thing in common: they operate a limited number of aircraft. Each time you add another aircraft ToT—and let's set aside—I think folks tend to focus on labor costs—set that completely aside. As you add additional aircraft types, you add cost—and it's not on a linear basis—to support those aircraft—the engineering that goes behind it, the inventory that goes behind it. So, while I don't have that number, it would be significant, regardless.

Senator JOHANNNS. But, you're kind of getting to the point that I want to make, here. And the point is that the majors aren't running these routes, because you just, financially, can do it cheaper. You're doing something, and it'd take us a long time to figure out what you're doing, but you're cheaper. Now, my concern is, from a safety standpoint, is it not only “cheaper,” but “on the cheap.” And there's a difference.

Now, let me ask you another question. If we had a bipartisan bill that basically said, from a safety standpoint, from a liability of the major carrier, that there would be joint and several liability for any negligence that occurs by the regional, so that they would both be responsible when it comes to safety purposes, would you folks support that?

Captain DICKSON. Senator, that's beyond my purview.

Senator JOHANNNS. Would you get back to me on that? That's a very important question.

Captain DICKSON. Of course.

Senator JOHANNNS. Mr. Gunther?

Captain GUNTHER. Same thing, sir, we'll—Senator—we'll get back to you on that.

Senator JOHANNNS. OK.

Mr. BOWLER. Likewise, Senator.

[The information referred to follows:]

#### **Dickson**

Answer. Each certificated carrier is responsible for its own training and operations, and for ensuring against the risk of any injury that may result from a failure in those operations. Safety is our number one priority, and we absolutely stand behind the safety of the operations of our regional contractors. Making us jointly and severally liable for any safety-related incidents that occur in our regional carriers' operations will not increase our incentives to keep them safe, it will only create confusion and potential disputes among our insurers as to who is responsible if an accident occurs. Additionally, it would make it more difficult and expensive for carriers to insure against aviation risk liability.

#### **Gunther**

Answer. Continental does not support joint and several liability for negligence by a regional carrier. The allocation of such liability is well established under current law, which should not be disturbed. Each carrier is responsible for operating its flights to the appropriate standard of safety and is required to uphold its regulatory obligations under its operating certificate issued by the FAA. Since every carrier's operation is separately managed and overseen with unique characteristics and many

differences, the mainline airline that contracts with a regional carrier should not have the burden of joint and several liability for a separate operation.

**Bowler**

Answer. The Federal Aviation Administration (FAA) currently has ultimate responsibility for oversight of airlines and ensuring they operate safely, according to all Federal guidelines. The FAA certifies all airlines, approves their manuals and training programs and routinely monitors their compliance. This certification and regulatory process is already in place to ensure compliance with all safety requirements—any issues regarding safety or compliance are best handled by the existing process, which focuses on prevention.

Mr. BOWLER. If I could come back to your prior comment about the—only flying the routes with the regional because it's cheaper. I think, without a smaller aircraft, most of the routes that are operated by the regional airlines wouldn't be flown at all, because they couldn't be sustained. So, it's not a matter of doing them cheaper; it's a matter of the routes not existing if there weren't a regional aircraft to fly them. And regional entities are, I believe, better operators of regional aircraft than mainlines.

Senator JOHANNIS. But, see, what I want to get to, here, is, how do we do this safely? That's the point. And I know you do, too. Nobody is coming here today saying, "Gosh, just let us do what we do." But, let me finish that line of thought.

Mr. Trenary, what would you think about a law that basically says you can't offload your safety responsibilities, that that is so fundamental and so important that there would be joint and several liability?

Mr. TRENARY. Well, I can't speak for the majors, but I can assure you we do not offload our safety responsibilities. I've been asked a question, "What would you think if we legislated that you have to have exactly the same safety requirements, exactly the same standards as major carrier?" and the answer is, "We already do, and, in some cases, we may have to cut back a little bit."

Senator JOHANNIS. Let me just wrap up with this thought. I'm never going to figure out your business model; I must admit, it doesn't make any sense to me. It really doesn't. But, it probably makes sense to you, and that's the important thing. But, the bottom line for me is the safety piece of this. And obviously there's a savings, for the major airline, to have you doing their routes—or, doing routes, I should say. So, if the only way we can figure out safety is to deal with it from a liability standpoint, then I guess what I would say to you is, I'm open to that possibility. Sounds funny, probably, coming from me, on my side of the aisle, but I just don't think that we should, in a fundamental area like safety, have any difference. You all talk about how all of these things are happening, "We do this, that, and the next thing, with the major carrier." Well, then I would think both the major and the regional would buy into this idea and say, "Well, great, we're doing those things anyway. Why not?"

So, I'll be very anxious to hear back from your enterprises as to what their thoughts about that is.

Thank you.

Senator DORGAN. Senator Isakson?

**STATEMENT OF HON. JOHNNY ISAKSON,  
U.S. SENATOR FROM GEORGIA**

Senator ISAKSON. Thank you, Mr. Chairman.

I've been listening to Senator Begich and the Chairman and Senator Johanns, and it occurred to me to make a little comparison here.

When I got on American Eagle, in Chicago, Monday, 2 weeks ago, to fly to Washington, I got on that plane the same way I walk into a McDonald's. The American brand is something that, in my mind, is a quality brand. I didn't think twice about walking on the airplane, just like McDonald's is a quality hamburger—and I don't want to start making other people mad; I like them all, hamburgers, and airplanes, too.

[Laughter.]

Senator ISAKSON. Wasn't for airplanes, none of us would work. But, there's a difference, at least to me, there's a difference in a contractual relationship and a franchise.

In a franchise, Mr. Bowler, if you were a franchisee of American, and your quality of service or safety went down, you'd lose your franchise; and McDonald's would still make lots of money, and they'd be fine. But, in the hub-and-spoke system and the feeder system that all the airlines have today, you can't just necessarily fire somebody on the spot, or you lose your network, at least that would seem likely—I'm thinking this through. So, it seems like you have a contractual relationship to serve—in your case, American; in your case, Colgan and—who else do you serve? The big carriers?

Mr. TRENARY. Delta.

Senator ISAKSON. Delta?

Mr. TRENARY. Continental.

Senator ISAKSON. OK. You have a contractual relationship, not a franchise relationship. But, you have the benefit of the franchise perception, because you've got the brand name on the airplane.

What's the difference between a franchise relationship, like I described, and a contractual relationship, like you have? If you don't meet contractual standards, what are the consequences, say, on safety?

Mr. TRENARY. It was for me?

Senator ISAKSON. Yes, sir.

Mr. TRENARY. That's a very good question, Senator. We have very clear contractual relationships, and, frankly, the major carrier doesn't look at the impact on their network. If you do not meet this level of performance, this level of—and the overarching is safety. There are a lot of very detailed metrics you have to meet. If you go below these thresholds, your contract is terminated. The catchall language is that if you are deemed unsafe, the relationship ends.

Captain GUNTHER. Senator, may I—

Senator ISAKSON. Yes. Any of you that want to address this.

Captain GUNTHER. Well, I think it's important to understand, regardless of the relationship, that, when it comes to safety—and I've even had our Chairman and CEO look me in the eye and say, "If you, as the safety manager, have any concerns and come to me, we will shut it down." And regardless of the relationship, I would think, at this table, you would hear that, because we really believe

that that's the key. Are we providing a safe product? If I, for any reason, feel I'm not, I will be at the Chairman's door in a second.

Senator ISAKSON. So, from what I hear both of you saying—in your contracts, safety overrides the feeder system that the bigger airline depends on. OK.

Second question. And I know this is a—I'm an old guy. My brother-in-law and I are Vietnam-era guys. My brother-in-law was a decorated Vietnam fighter pilot and carrier pilot, stayed in the Navy 25 years. But, when he got out, I believe in 1987, he went and flew for—I think it was Comair, and he stayed with us in Atlanta while he was going through training. And I was struck by two things. One, the depth of the training he had to go through, even being a carrier pilot who'd made 535 landings and, as he used to say, and takeoffs, which—he was always proud they balanced. But, I was surprised at two things. One was the depth of the training, and second was the pay cut he took from the Navy, versus starting out with a feeder airline. Is that still true today, that you get a lot of military pilots? Or are more of them going directly to the major airlines? Any of you that want to answer?

Captain GUNTHER. I'll start off with: Senator, I don't think that you're that old. I am also Vietnam-era, so—

But, we do not see as many military pilots today as we have seen in the past. I would think everyone would agree with you. When I was hired, several years ago, I would say the class was probably 80- to 90-percent military pilots. I would think that percentage today is down in the 20s, 30s, just depending on the supply of military pilots. But, it has changed over the last few decades.

Captain DICKSON. And, Senator, the same thing at Delta. Traditionally, our hiring profile has been in the 90-percentile range, up through the 90s, of military-background pilots. Our last round of hiring, in 2007 and 2008, it's probably in the 45-percent range. Because of longer Active-Duty service commitments and other issues, the military pool is smaller. However, I will say that the pilots that have been coming to the majors over that period of time, were every bit as qualified. In fact, in some ways, it was an easier transition for them, because they had been working in a sophisticated glass-cockpit environment. They were working in a part-121 operation, and they were working with dispatch and flight control. That's an unfamiliar environment for military aviators. So, in some respects the pilots with the civilian regional background have actually been superior, certainly in the beginning, to some of our military pilots.

Senator ISAKSON. Mr. Bowler, real quick?

Mr. BOWLER. Military pilots represent a relatively small percentage of our new-hire recruits.

Senator ISAKSON. Mr. Chairman—

Mr. TRENARY. It's dropping here, as well. But, there is one very important distinction—and this goes to Chairman Dorgan's area—the University of North Dakota has an outstanding flight school. These young people who come out of a program like University of North Dakota, and go through a bridge program, where they have the experience with 121 operations, regional jet simulators, the glass-cockpit—when they come to us, it is amazing how competent and how capable they are. If you compare some people who have,

say, 6-, 7-, 800 hours out of an approved bridge program, relative to a pilot that may have several thousand hours, and there's no comparison. So, the future looks very good.

Senator ISAKSON. Well, thank you all for being here today.

Mr. TRENARY. Thank you, sir.

Senator ISAKSON. Thank you, Mr. Chairman.

Senator DORGAN. Thank you.

Senator Thune?

**STATEMENT OF HON. JOHN THUNE,  
U.S. SENATOR FROM SOUTH DAKOTA**

Senator THUNE. Thank you, Mr. Chairman.

And I appreciate all of you being here, too, and responding to these various questions that we have. Obviously, everybody here, and all of you, want to make sure that we're taking whatever steps we can to make airline travel as safe as is humanly possible. And I think we all realize, too, that, in the modern world, the relationships between the main carriers and the regional carriers is an economic necessity.

I remember, as a kid, we didn't get to fly very often, but when we did, you could go to Pierre, South Dakota, where Western Airlines flew 727s. On these big planes you only had, like, ten people on them. But, nowadays, for service into any of our smaller communities in South Dakota, you do rely heavily on regional airlines. And, of course, many of them, as the Senator from North Dakota pointed out, when they fly in there, it may have the Northwest or now, the Delta logo, or United, or whichever. And so, the assumption is that that carrier—it's sort of an integrated operation—you may have a relationship that is contractual, or shared revenue—but, in any event, that everybody is operating, sort of, with the same set of standards and quality and everything else at the main—the larger airlines, and the regional airlines that contract with them, all adhere to the same sorts of standards.

We've had a couple different hearings on this subject already, and I think they've shed some light on things that we may be able to do to help you, such as dealing with the whole Pilot Records Improvement Act for an airline. There are limitations today in obtaining a full understanding of a prospective pilot's flight history when making hiring decisions. It has been difficult, in the past at least, in getting some of the information released, because of privacy issues. And I'm just curious in knowing to what extent each of your companies has required prospective applicants to sign privacy releases pertaining to their flight history.

Captain DICKSON. Senator, that should have been reflected in my statement. We do require that, at Delta, and we have for several years.

Senator THUNE. All right.

Captain GUNTHER. Senator, the same at Continental. We have required that for several years.

Mr. BOWLER. We are not now hiring, Senator. We plan to implement such a program, going forward, when we do commence hiring.

Senator THUNE. OK.

Mr. Trenary, you just changed yours, I understand—



Mr. TRENARY. We just changed ours, and we would appreciate any help you can offer on that, because we're doing the same thing now, as far as asking for that.

The other thing we can use your help on, is having PRIA go back farther. Under PRIA, after 5 years, anything negative, other than a revocation, is expunged from the record. It really doesn't do us much good to go back and look, 8 or 9 years, if anything negative is not there. So, if we could see the entire pilot history, from beginning up until the time they apply to work for us, it would be very helpful.

Senator THUNE. And my understanding is, with respect to the pilot in the flight crash in New York, that there were some check-ride failures that probably would have come to light, had you had that sort of information available to you. That was within the 5-year window, I think.

Mr. TRENARY. Let me stress one thing. Captain Renslow was a fine man, by all accounts. Had we known what we know now, no, he would not have been in that seat. A failure on a check ride is not necessarily a reason for someone not to fly; it depends on what kind of failure it is. The failures that we were unable to see were the basic fundamental airmanship failures that you would not want to have.

Senator THUNE. I'm interested, too, in something that was raised in—and I'm not sure which of your testimony—but, it had to do with this—and I see this quite frequently, too. We have a number of pilots, who live in South Dakota, fly out of another city, and so, they commute to work, basically, like many of us do. And I appreciate the fact that they like to live in South Dakota, and maybe not in some larger city somewhere else. But, would it make sense for the FAA or the airlines to track the commute, to make it easier to see if there has been adequate rest for the pilots? I mean, if their experience is like ours, sometimes you have flight delays and issues and complications getting to your ultimate place of work from where you're going to start flying. Should that information be available? Would it make sense for the FAA or the airlines to track that?

Captain GUNTHER. Senator, let me first say that as a pilot over the years, I also commuted. And I will say the men and women who are professional pilots in this country, who do commute, the vast majority do it correctly, and they do show up for work ready to go, rested. That would be a very hard thing to do—tracking. The difference between someone leaving from your state and flying, say, to Minneapolis, if you will, versus someone driving 6 hours, how do we track that person who lives 6 hours from the hub? And how far do we go into their private lives on their off time?

Speaking personally, I'm a professional pilot, I have managed it. There are programs out there to help the outliers, if you will. The professional standards group, with the associations is an outstanding program. That's peer-to-peer. Employee or a pilot assistance programs to track those. And if you were to ask me, personally, over the years—there has been a time—I can recall, many years ago, where we actually, three of us, approached one of our pilots and told him, "You need to change your commuting habits." He moved to the hub.

Senator THUNE. Go ahead. Anybody else who cares to comment on that?

Captain DICKSON. Senator, I would concur. It's very difficult to enforce or legislate what happens in someone's private life. And it would be very difficult to track.

We have pilots, who live on the north side of Atlanta, it might take them, if there's an accident on the Interstate 3 or 4 hours to get to work. Is that person more fit to fly than someone who commutes in from Jacksonville? And, how are we going to track—

Senator THUNE. Right.

Captain DICKSON.—those different situations?

Senator THUNE. I can see where that would be fairly complicated, and certainly be an imposition on pilots.

Well, we would appreciate, I think, any other suggestions that you might have. I know the Chairman has included, in the FAA bill that we've marked up, some of these changes in PRIA that, I think, will make it easier to get information. And so, if you have other suggestions that would be useful to this committee as we pursue FAA reauthorization this year, we would certainly appreciate it.

Thank you for your testimony.

Senator DORGAN. Senator Thune, thank you very much.

Let me ask a follow-up about this issue of fatigue. And I understand there's a difference between crew rest, which I think is a contractual situation between carriers and their employees, and the issue of fatigue. So, I—Captain Dickson, frankly, somebody that lives in a suburb of Atlanta and runs into a traffic jam, it is different than someone that is going to fly from Seattle to New York to reach a duty station. Would it be OK if somebody lived in Southern France, for example, and commuted to work? I mean, is—the question is, Is there some limit, someplace? I guess what most of you have said—as long as—if they show up on time, that's fine, and you expect people who are professional to have had sufficient rest, and so on.

But, I do want to call your attention to a piece in the *Washington Post*, actually, that provoked a response, I believe by the FAA this week, just yesterday, a crowded hub away from home. And it describes something I wasn't aware of. It describes several—500 to 1,000 houses in the United States that can be found—they're called "crash pads," where 20, 30 people will show up and use a crash pad to get a few hours sleep here and there. And it just seems to me, whether this—I mean, those of us in politics understand, sometimes you have to double check these things—but, assuming this article is correct, that there are these crash pads that exist, and assuming that the description of, Mr. Trenary, the co-pilot on the tragic flight into Buffalo, had described what she had described, that she had a couch with her name on it at the airport when she arrived after flying all night, don't you think, from the evidence we now see, that there's something wrong, here? You fly across the country all night, thinking you're going to catch a few winks on a couch, or you've got a lot of folks moving back and forth, around, trying to commute to work, and, in some cases, being paid relatively small amounts of income—\$20-, \$22-, \$25,000—having to find a crash pad someplace, where you can get in there and make

sure that you don't make enough noise to wake other people that are trying to catch a few hours sleep.

Do—I guess—look, here's the question. All four of you are very experienced in the aviation business, in the airline business. Do any of you think there's a problem in this area? Or do you think that we're just reciting things that we're reading and hearing, and anecdotal things with respect to the one tragic flight, and, you know what, this is not a problem? Give me your assessment of this—

Captain DICKSON. Senator, I'd—

Senator DORGAN.—fatigue.

Captain DICKSON. Senator, with respect to the commuting issue, in particular, this is going to be addressed by the Aviation Rule-making Committee, in some form or fashion. We know that it's an issue. To what extent it is a systemic problem, I think that's probably a subject that's open to discussion.

Senator DORGAN. Yes, but I'm asking for your opinion, your judgment.

Captain DICKSON. Absolutely.

Senator DORGAN. Do you think it's a problem, or don't you? Because it's only come up recently, because—

Captain DICKSON. Right.

Senator DORGAN.—we've all pushed it, saying, "We think there's an issue here." Question is, Do you think there's an issue here?

Captain DICKSON. I certainly think that it's very important that the carrier has policies that support commuters and individual stability. Their family life, their stability, bringing kids up through the same school system, all those things can create disincentives to moving to where their flying career is taking them. So, certainly our ability to be able to have flexible policies, as have been described, to support commuters and to deal with the extraordinary situations that sometimes crop up, without any disciplinary action or penalty to the individual, is very important.

Senator DORGAN. This question is not just about commuters, however. I refer—

Captain DICKSON. Right.

Senator DORGAN.—to commuters. This question is about the industry. And I'm asking, Do you think there's an issue here?

Captain GUNTHER. There is obviously, just from the incident, Senator, you talked about, an issue that needs to be looked at. To what depth that issue goes, I personally don't believe it's a large number of people who fall into that category. Do we need to look at it? Absolutely. Is the ARC going to address it? Absolutely. And from my experience within my carrier, I don't see a large issue with fatigue or with commuters not commuting properly.

Senator DORGAN. Mr. Bowler?

Mr. BOWLER. I—

Senator DORGAN. By the way, have you read the crash-pad piece that was written?

Mr. BOWLER. Yes sir.

Senator DORGAN. OK.

Mr. BOWLER. Fatigue is a serious issue. We are confident that—I am very confident that our pilots take that—their responsibility, to show up for work rested, seriously. I believe we have a good pro-

gram for making sure they have the ability to remove themselves without punitive response.

Having said that, I am very supportive, and I'm very proud, of the fact that Eagle's Vice President of Flight is a member of the ARC that's reviewing time and duty rest. And we're looking forward to the outcome of that rulemaking process. So—and we will, of course, adopt that as promptly as it comes forward.

In response to "Should pilots have the flexibility to commute?" I believe that they should, because I think it's very difficult to say, "It's OK in this circumstance, and not in this circumstance."

I'd also add that we operate at airports all around the country, as I mentioned in my comments, in expensive cities, in inexpensive remote smaller communities. And we have employees in all those communities. We have employees in New York, in Chicago and Los Angeles—on the ramp, they're mechanics, they're baggage-handlers, they are ticket agents. And most of them earn less than the pilot group. And they're able to live in those communities. Most of those people don't commute; they've found places to live, and they've found a lifestyle to sustain themselves.

So, the commute—I think it's important to distinguish that the commuting decision is a lifestyle decision.

Senator DORGAN. Well, I understand. But, the lifestyle decision is made—is required by how much income you're making. And if you're making \$24,000 a year, you choose, perhaps—in the circumstance that we're all well aware of, you choose to live with your parents on the West Coast, and then—and I guess—

The only reason I'm asking this question is this. I think if, God forbid, there's an accident next year, and it is someone related to one of the witnesses that's on the airplane, and you discover what we now know about what put—what clearly had to have been fatigue in that cockpit, would you think there's something wrong that needs to be corrected? And the answer would be, I assume, "yes," in that circumstance.

And then, the next question is, Does that circumstance portray something broader as a problem? And then, you read these things and begin to understand and talk to people, and you say, "Yes, I think there's something going on."

I board airplanes all the time, as I'm sure does Senator Thune and Senator Begich. And I know pilots, and I know flight attendants, that commute to work. I understand that. I mean, you know, you get on a plane in Fargo. There are pilots boarding in Fargo to go to Minneapolis or Detroit to begin their duty. I understand that. I have never felt alarmed by that. But, I do have some alarm about someone flying all across the country the entire night and then explaining, to somebody that she's flying with, that there's a couch that's—with her name on it at a crew rest station, and then reading that there are 500 to a 1,000 crash pads someplace.

It just seems to me that there's something here that we ought to be concerned about, because fatigue in a cockpit is critical. I mean, you know, there's no room for errors in a cockpit. And when you're fatigued, you make mistakes. And so, I'm trying to understand whether there's a problem. And I think what I'm hearing is, "You know what? Not much of a problem here, but whatever ARC says, we will proceed to implement."

And I—so, let me go onto some other things, because I—obviously, we're driving, I think, through the FAA and other processes, some better understanding. I do think it's the case that probably none of you fully understand, either, how much rest does someone have when they show up for work, because you say professionals are expected to meet the standards. And I understand that. I understand that. But, I also understand there are some requirements to make certain that those standards are met, other than just an expectation that they are met.

Let me ask about the network carriers. When you have co-chairing with foreign airlines, my understanding is that network carriers are required, by the Department of Transportation, to conduct periodic safety audits of the international co-chair partners and submit the results to DOT. That—is that a proper understanding, that a network carrier, such as Continental or Delta, when you do co-chairing with an international carrier, you're required to go do a safety audit and then submit your findings to the Department of Transportation? Is that accurate?

Captain DICKSON. Senator, in the absence of an IOSA audit, that is true. Before the advent of the IOSA system, we had done audits on our own. As a matter of fact, the Delta audit system actually became the basis for IOSA later on. That is actually the audit that we accept, at this point.

Captain GUNTHER. And, Senator, that's the same, sir.

Senator DORGAN. And in—is that IOSA audit present in all cases these days? I mean have you—are there circumstances where you've had to do the audit and report to the DOT?

Captain DICKSON. Not in recent years, Senator.

Senator DORGAN. But, in any event, the implication of that has been that the requirement is on the network carrier to make certain that someone who's flying on the network carrier, and then going to a co-chair partner, is going to fly on an airplane that—with a crew that you feel represents the same safety standards, and is meeting all the standards, that you expect for your airline. Is that—

Captain DICKSON. That is correct.

Senator DORGAN. And does that same requirement exist for you with respect to a regional carrier? Now, you employ a number of regional carriers, I think, Captain Dickson. How many regional carriers do you—

Captain DICKSON. We currently have nine—

Senator DORGAN. And how many of those do you own, in total? I mean, how—I—let me rephrase that.

How many of the regional carriers do you have a 100-percent ownership in?

Captain DICKSON. I believe it's two out of the nine.

Senator DORGAN. That would be Mesaba and who else?

Captain DICKSON. It would be Comair—

Senator DORGAN. Is—

Captain DICKSON.—and Compass and Mesaba.

Senator DORGAN. And—so, three?

Captain DICKSON. Yes.

Senator DORGAN. And the other six—

Captain DICKSON. Are all contractual relationships.

Senator DORGAN. OK, yes.

And so, the question, I guess, again, if you decide that you're going to have Mr. Trenary pick up and deliver passengers at—as—in part of your spoke system, hub-and-spoke system out there, what is your requirement with respect to the safety issues of Mr. Trenary or Mr.—Mr. Bowler's in a different position, because he's wholly owned by American and only flies for American. But, what is your responsibility with respect to assuring the safety, as you must with a co-chair international carrier—what's your responsibility when you employ Mr. Trenary to pick up and drop off passengers?

Captain DICKSON. It's a similar responsibility, Senator. We are requiring IOSA audits of all of our regional partners, currently. We have not built in this requirement for ASAP and FOQA into contractual relationships at this time, but that's something that we intend to evolve into, going forward. And it's part of our monthly review, when we review all of the recent FAA SAFOs and InFOs; and other recent events in the industry. We also review the status of their ASAP and FOQA programs, as well.

Senator DORGAN. Alright. I have a couple of other questions, but I'm going to call on Senator Begich, if you wish to ask—

Senator BEGICH. Thank you very much, Mr. Chairman.

First, I, again, thank you for the last round of answers to my questions. I just want to make sure, and make, kind of, a declarative statement, that charts that I have asked, I would hope that each one of you could submit those to me, and I'll be happy to share them with the Committee, or if the Committee wants them, too—if you could do that, I'd greatly appreciate that. I want to make that very clear.

The fatigue issue, how do you—let me ask it this way. If a pilot comes in and says, "I just—I can't fly," and they use fatigue as the issue, what happens? Whoever wants—I don't know who to ask this, but whoever would like to ask this—answer. Go ahead.

Captain GUNTHER. If a pilot declares fatigue, he's taken off the—he or she will be taken off the trip. No reprimand.

Senator BEGICH. OK. And is that similar to all cases?

Captain DICKSON. Yes.

Senator BEGICH. OK. And do you keep track of how many pilots identify fatigue as their issue?

Mr. TRENARY. We do, sir.

Senator BEGICH. You do?

VOICE. Yes.

Senator BEGICH. You do? Do you—Delta?

Captain DICKSON. We have relatively low incidence of this. We don't track it per individual, but we do have the data in our system.

Mr. TRENARY. The safety department keeps track, yes.

Senator BEGICH. OK. Do you—and, I guess, for the ones that operate the regional—how do you manage and understand your employees, in the sense—and I think your question—or, the response that Captain Dickson commented, you know, that you don't want to get down so deep—or maybe it was Captain Gunther—in their personal lives too deep. But, how do you understand—for example, maybe you have a pilot working—and I am an issue—with the sal-

ary, you should know that. I recognize your earlier statement. You know, you've got great pilots—there's no question about it—that are working at a different wage level, and—but, they could also be doing other things, too, to make money, meaning other jobs. How do you—you know, if you have a pilot that's being a pilot, making whatever your salary range is, but know—they know that's not enough to maintain their family, they have a second job—how do you put that into the equation? Because I will guarantee you, it's one reason, as a former mayor, we ensured our payment to—our police officers and firefighters were very well paid. We did not want them to have a second job, of any kind, because their requirements were significant for public safety. So, our job was to pay them well, and good benefits. I got a lot of criticism for that, for mayor, but we had very low, if almost zero, corruption and situations that our officers got in trouble. So, how do—for both of you two, how do you deal with that? I mean, do you survey your pilots? Do you do focus groups with your pilots? What—how do you deal with this?

Mr. BOWLER. I'm afraid I could not tell you what percentage, or what numbers, of our pilots have additional sources of income. And again, I don't think that we would be prone to go ask them that question. I think what they do in their private lives, as long as it doesn't interfere with their responsibilities to perform when they're at work, and to perform to our standards and the FAA's standards required of their license, I'm prone not to go enquiring about that. We set our compensation levels, based on the peer group that we compete against. And, most importantly, it is a negotiated process, it's a collective bargaining agreement that we reach with the—in the case of our pilots, the Airline Pilots Association, who ably represent pilots across the country.

Senator BEGICH. Mr. Trenary?

Mr. TRENARY. I think it really goes to professional standards, because we don't track what people do in their off time. I can tell you that some pilots live on what they're paid, some do not; some have kids, mortgages, colleges, things like that. I know pilots who work for major carriers making well into the six figures who have other jobs, not because they need the money, but because they want to. It really gets into a lifestyle choice. One of the things that I'd recommend is we could take this issue to our professional standards group. They do an outstanding job helping with ASAP and our other safety programs. We could ask them to look at this and tell us what they're seeing.

Senator BEGICH. Yes, I would just be interested, because, you know, if there's a trend line—you know, I don't know the answer to this, that's why I'm, obviously, asking the question. But, I know when we managed a police force—you know, I had 500 police officers, I had 400 paramedics, firefighters—it was very important that we—you know, if they were working—in our case, we had them working four-10s, the police officers. So, you know 10 hours is a long day, and you don't want them to go 10 hours, and then spin out and do something else afterwards, and then come back for another 10-hour shift, because—it doesn't matter what they tell you; physically and mentally, they—their system is degraded. Period. I don't—they cannot argue me out of that, based on all the scientific evidence. So, that's—it would be an interesting—if there's

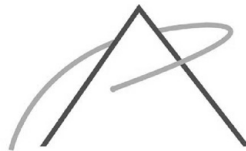
a trend line going the wrong direction—and maybe—when I say “wrong direction,” more secondary employment—but, yet maybe there’s no impact. I don’t know the answer. But, I would appreciate that.

Mr. TRENARY. We’ll get back to you and see what we can come up with.

[The information referred to follows:]

Answer. I am not aware of any existing source for secondary employment trend information for our pilots or the industry. However, I have asked our Professional Standards Group to survey our Pilots to determine how many hold down second jobs. All Pilots are required to attend recurrent training (Captains every 6 months; First Officers once annually). We will poll our Pilots during recurrent training regarding jobs outside of our airlines and provide the results of our survey to the Committee.

The attached presentation is the one we used to brief various Senators and staff on the relationship between Pinnacle and Colgan and, more importantly, the Safety programs at both carriers. The most important pages in the deck are 10 through 15 which outline our Safety programs.



P I N N A C L E  
A I R L I N E S C O R P.

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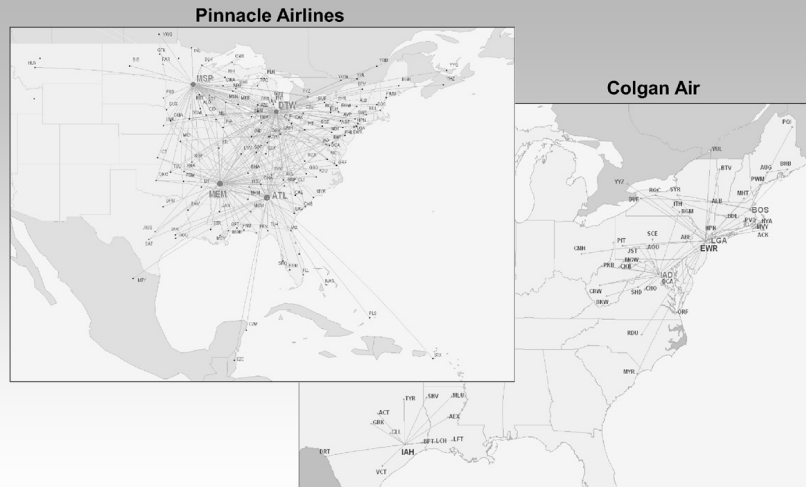
## **Pinnacle's History**

- Pinnacle Airlines, Inc. commenced operations in 1985 as Express Airlines I, Inc. operating turbo-prop aircraft for Republic Airlines between Memphis and three small communities in Mississippi.
- Pinnacle Airlines Corp. became a publicly traded company in November 2003 as the holding company for Pinnacle Airlines, Inc.
- Colgan Air was founded in 1991 by Senator Charles Colgan and his family operating small turbo-prop aircraft in the Northeast.
- In January 2007, Pinnacle Airlines Corp. acquired Colgan Air, Inc., a turbo-prop operator with almost 400 daily flights, providing service to US Airways, Continental Airlines and United Airlines.

## **Pinnacle's History (cont'd)**

- In February 2007 Colgan announced it had entered into an agreement with Continental to operate 15 Q-400 turboprop aircraft starting in December 2007
- Pinnacle Airlines Inc. and Colgan Air currently fly 188 aircraft serving over 144 cities and 1,000+ flights a day, and transport 13 million passengers annually.

## Pinnacle Airlines Corp. – Scope of Operations



3



## Management Team with Significant Airline Experience

- Phil Trenary, CEO, Pinnacle Airlines Corp. 29 years
  - Doug Shockey, COO, Pinnacle Airlines Corp. 25 years
  - Peter Hunt, CFO, Pinnacle Airlines Corp. 13 years
  - Clive Seal, President – Pinnacle Airlines, Inc. 37 years
  - Buddy Casey, President – Colgan Air, Inc. 36 years
- Recognizing the importance of safety, Pinnacle and Colgan have leaders overseeing safety who are well respected in the industry.

4



## Management Team with Significant Airline Experience

### Craig Chilcote, Pinnacle Airlines, Inc

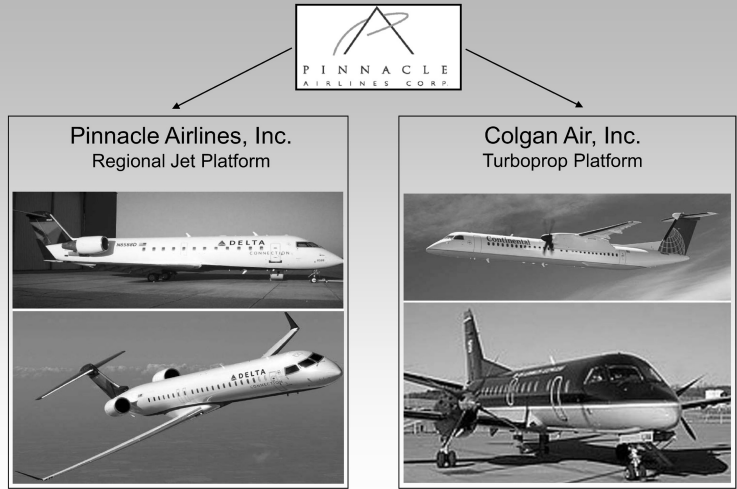
- Craig Chilcote became the Vice President of Safety and Regulatory Compliance for Pinnacle Airlines, Inc. in August 2008. He is responsible for overseeing all aspects of flight and employee safety programs, including the Aviation Safety Action Program (ASAP), Flight Operations Quality Assurance (FOQA), Line Operations Safety Audit (LOSA), cabin safety, emergency response plans and investigations, risk analysis, safety data management, airline security, TSA compliance, environmental compliance, and dangerous goods compliance.
- Prior to his arrival at Pinnacle, Craig was Vice President of Flight Operations at Executive Airlines (d.b.a. American Eagle Airlines). He also earned airline management experience at the director level at American Eagle, including Director of Regulatory Affairs, Director of Flight and Employee Safety, Manager of Flight Safety, and flight operations management. Craig has served as a Captain in Part 121 and 135 operations. He began his aviation career in 1990 as a charter pilot and flight instructor.
- Craig attended the University of Montana and earned a degree from Embry-Riddle Aeronautical University. He holds an Airline Transport Pilot Certificate with type ratings in the Embraer 135, 140, 145 turbo-fan, and Saab 340 turbo-prop.

## Management Team with Significant Airline Experience

### Dan Morgan, Colgan Air, Inc.

- Dan Morgan joined Colgan Air in May 2008 as Vice President of Safety and Regulatory Compliance.
- From 2003 to 2008, Dan was Chief Operating Officer of Continental Micronesia, which served Asia and the Western Pacific with a fleet of Boeing 737s and 767s. Dan had direct operational responsibility for Flight Operations, Maintenance (line and base), Inflight, Airport Operations, dispatch and system operational control, crew planning and scheduling, safety, security, purchasing and inventory management.
- Dan started his airline career in November 1978 with Texas International Airlines in Dallas, Texas. In December 1980, he was promoted to Manager of Passenger Service Policies and Procedures. In October 1982, Texas International Airlines merged with Continental Airlines, and for the next eight years, he served in a variety of staff positions at Continental.
- When Continental's expansion of international service began in the late 1980s, he assumed the role of Director of International Airport Planning, and directed the opening of service to more than 20 new international destinations in Europe, the Caribbean and Latin America. In 1992, he was promoted to Senior Director of International Operations, and then to Managing Director of International Operations. By 2000, he was responsible for 54 airport operations in 26 countries and all cargo sales outside the United States, managing 800 employees and a \$225M operating budget.
- Dan earned a bachelor's degree from Texas A&M University, and is a U.S. Army veteran.

### Pinnacle - Uniquely Positioned in the Regional Industry



### Diverse Partner Relationships

#### Pinnacle Airlines Corp. Fleet Plan

					Options
<b>Pinnacle Airlines, Inc.</b>					
CRJ200			124		
CRJ900			16		
<b>Colgan Air, Inc.</b>					
Saab 340	12		11	11	
Delivered Q400	15				
Ordered Q400	15				30
<b>Total</b>	<b>42</b>	<b>140</b>	<b>11</b>	<b>11</b>	<b>30</b>

## Focused on Guiding Principles at Both Airlines

### Pinnacle Airlines, Inc.

- **Never Compromise Safety**
- Commitment to Communications
- Ethics and Values
- Commitment to Personal Development
- Respect for All Pinnacle People
- Financial Responsibility
- Customer Service
- Commitment to Stakeholders

### Colgan Air, Inc.

- **Safety**
- Treat passengers and employees as family
- Operational Excellence
- Teamwork
- Ethics
- Respect All People

## Voluntary Safety Programs

- **Aviation Safety Action Program (ASAP)** – a volunteer partnership. Data generated from Pilot reports tells us **why** a particular event occurred.
- **Flight Operations Quality Assurance (FOQA)** – a volunteer partnership among the Airline, FAA and ALPA. Collects data on **what** the aircraft did during a flight to identify events and trends.
- **Line Operations Safety Audit (LOSA)** – this is the third leg of our safety emphasis, joining the Flight Operations Quality Assurance Program and the Aviation Safety Action Program.
- **Internal Evaluation Program (IEP)** – provides **continuous oversight** of the Airline's internal procedures and policies for effectiveness and compliance.
- The combination of ASAP, FOQA, LOSA, and IEP provides the cornerstone for the Safety Program. A three party agreement (Airline, FAA, Labor) is crucial for success.
- All 121 airlines have at least 1 or 2 of these, but it is not common among regionals to have all four.

## Leadership in Safety

### *Pinnacle Airlines, Inc.*

- **ASAP (Aviation Safety Action Program)**
  - Pilots, Dispatchers, Maintenance, Flight Attendants
- **FOQA (Flight Operations Quality Assurance)**
  - Program running > 2 years
  - About 5000 hours data / month
- **LOSA (Line Operations Safety Audit)**
  - First airline to observe Cockpit, Cabin, and Dispatch on each flight.
  - First Regional Airline to perform LOSA in compliance with FAA and ICAO standards and the LOSA Collaborative of the University of Texas.
- **IEP (Internal Evaluation Program) Active and Underway**
- **First Regional Airline that Performs FOQA, ASAP, and LOSA in Accordance with Set Standards (FAA, ICAO, etc.)**
- **SMS (Safety Management Systems)**
  - One of a handful of US carriers committing to it
  - Partnership with FAA
  - Began in 2009, Level 1
- **IOSA (IATA Operational Safety Audit)**
  - On registry for 2 consecutive cycles
- **Risk Assessment for all Non-Routine Flight Operations**

### *Colgan Air, Inc.*

- **ASAP (Aviation Safety Action Program)**
  - Pilots, Dispatchers, Maintenance, Flight Attendants, Ramp Agents
- **FOQA (Flight Operations Quality Assurance)**
  - Program under development
  - Fully implemented by Sept. 2009
- **LOSA (Line Operations Safety Audit)**
  - Conducting modified program since 2008
  - Launch full LOSA 4Q09
- **IEP (Internal Evaluation Program) Active and Underway**
- **Fatigue Risk Management Program**
  - Study duty limitation alternatives
  - Devise new scheduling practice proposals
- **Safety Review Board**
  - Uses cross-divisional management to study safety-related events
- **IOSA (IATA Operational Safety Audit)**
  - On registry

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## Leadership in Training

### *Pinnacle Airlines, Inc.*

- **Risk Management Based Hiring / Training Process**
  - Tiered/Bridge/Mentoring Programs for new hires and upgrades
  - Augment total time by providing structured training
  - Pinnacle Aviation Academy (FAA Part 142 school)
- **Required Upgrade Times from First Officer to Captain among Highest in Industry**
- **Pilot Background Checks / FAA File Review Required Prior to Hiring**
- **Pilot Review Board Requires Safety Participation**
- **Minimum New Hire and Upgrade Training Higher than Required**
- **Stall Training/Jet Upset Training Exceeds FAA Requirements and Recommendations**
- **Full Procedural Training and Systems Integration through Entire Training Cycle**
- **Use Both Retired Airline Pilots and Current Pinnacle Pilots as Ground and Flight instructors**
- **Expanded Curriculums**
  - Low altitude stall and recovery, dual engine flameout, multiple flight control malfunctions
  - Mountainous terrain, winter operations
- **Dedicated Crew Resource Management (CRM) Training Course**

### *Colgan Air, Inc.*

- **Raised Minimum Time Qualifications for New Hire Pilots**
- **Enhanced Pilot Interview Selection Process**
- **Pilot Background Checks**
  - Now includes FOIA to augment PRIA
- **Pilot Review Board Utilizing Multiple Management Layers**
- **Enhanced Standardization Standards**
- **Increase Minimum Initial Operating Experience that Exceeds FAA Requirements**
- **Increased Pilot Surveillance / Additional Checkrides**
- **Crew Pairing Enhancements to eliminate "green on green" Pairings**
- **Enhanced Maneuvering Training and Checking**
  - Low altitude stall and recovery
- **New Check Airman Evaluation/Standardization Program Being Implemented**
- **New CRM and Threat and Error Management programs**
  - Best practices approach, adopted from Continental

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## Flight Time Experience

### Pinnacle Airlines, Inc.

	CRJ900	CRJ200	Average
Captain	6880	5760	5974
First Officer	2540	2680	2657

### Colgan Air, Inc.

	Q400	Saab 340	Average
Captain	5230	4323	4776
First Officer	1655	1961	1808

## Voluntary Safety Programs

Flight Safety Program	FAA Required	Pinnacle	Colgan
ASAP – Pilots	No	Yes	Yes
ASAP – Mechanic/Tech Services	No	Yes	Yes
ASAP – Dispatchers	No	Yes	Yes
ASAP – Flight Attendants	No	Yes	Yes
ASAP – Ramp Agents	No	No	Yes
FOQA (Flight Operations Quality Program)	No	<ul style="list-style-type: none"> <li>FOQA for just over 2 years</li> <li>Use DFDR Downloads</li> <li>QARs for 300s to be installed July (whole fleet)</li> <li>April numbers – 200 fleet captured 57% for 3634 hours. 900 fleet captured 66% for 1050 hours</li> </ul>	Installation of QARs beginning in June. Program fully implemented by September.
IIP (Internal Evaluation Program)	No	Yes	Yes
IOSA (ATA Operational Safety Audit)	No	Yes (2 consecutive cycles)	Yes
LOSA (Line Observation Standard Program)	No	<ul style="list-style-type: none"> <li>Yes - Compliant with AC and CAO guidance (U of TTEM)</li> <li>MOU signed with ALPA</li> <li>First officer to observe Cockpit, Cabin, and SOC on each flight</li> <li>Analysis phase underway. Should be done in June 2009</li> </ul>	Modified LOSA performed in April '08. Will initiate new LOSA in 4 <sup>th</sup> Qtr '09.

## Voluntary Safety Programs

Flight Safety Program	FAA Required	Pinnacle	Colgan
Operations Feedback Program – Pilots	No	Yes	Yes
Operations Feedback Program – Flight Attendants	No	Yes	Yes
Operations Feedback Program – Dispatchers	No	Yes	Yes
Operations Feedback Program – Mechanics/Tech Services	No	Yes	Yes
Operations Feedback Program – Ramp Agents	No	Yes	Yes
Safety Hotline Program	No	Yes	Yes
FOD Prevention Program	No	Yes	Yes
Flight Incident Reporting Program	No	Yes	Yes
Aircraft Damage Reporting Program	No	Yes	Yes
Passenger Injury Reporting Program	No	Yes	Yes
Employee Injury Reporting Program	No	Yes	Yes
Incident Investigation Program	No	Yes	Yes
Flight Incident Risk Assessment Program	No	Yes. Being re-written in accordance with SMS.	No formalized risk assessment. Will be included in SMS.
SMS (Safety Management Systems)	No	In phase 1 SMS finalizing our Detailed Gap Analysis. Next meeting with FAA and Mitre Corp. set for Sept.	No

Senator BEGICH. I appreciate——

Mr. TRENARY. We'll look——

Senator BEGICH.—that.

Mr. TRENARY.—at that.

Senator BEGICH. Thank you very much. That's the limit of my question time.

Thank you, Mr. Chairman.

Senator DORGAN. Senator Begich, thank you very much.

Let me just ask, again, about this issue of IOSA. How many regional carriers do we have in the country? Is it around 20 that are under contract?

Mr. BOWLER. I—we can—it—I would—my guess would be 20 to 30——

Senator DORGAN. Alright. And——

Mr. BOWLER.—regional. But, we can get back to you——

[The information referred to follows:]

Answer. According to the most recent data from the Regional Airline Association, there were 72 U.S. regional airlines in 2007 based on the number of carriers reporting U.S. DOT Form 41 traffic. However, in the first half of 2008, there were 70 U.S. regional airlines based on the number of carriers reporting U.S. DOT Form 41 traffic. To be classified as a “regional” airline, a carrier typically has annual operating revenue of less than \$100 million. Furthermore, a “national” airline has annual operating revenues between \$100 million and \$1 billion and a “major” airline has annual operating revenues in excess of \$1 billion. By definition, American Eagle is a major airline. Additional information may be viewed by visiting the website of the Regional Airline Association at [http://www.raa.org/index.php?option=com\\_content&task=view&id=16&Itemid=30](http://www.raa.org/index.php?option=com_content&task=view&id=16&Itemid=30).

Mr. BOWLER.—Senator.



Senator DORGAN. Does anyone have information of how many regional carriers have had the inspection by IOSA that you described recently? Or, no—let me phrase it a different way.

Are all regional carriers, at this point, in a circumstance where they have had an IOSA inspection?

Mr. TRENARY. I would put it this way. I don't know the answer to that question, but I believe that any regional carrier flying for a major mainline carrier in the U.S.—United, U.S. Airways, Continental, Delta—would have had an IOSA inspection. I don't know that, but I would believe that would be the case.

Senator DORGAN. Let me have you submit that for the record.  
[The information referred to follows:]

Answer. I cannot speak for all regional carriers, but I believe any regional carrier flying for a major mainline carrier in the U.S. would have had an IOSA inspection. Our mainline carriers, Continental, Delta, United and U.S. Airways, all require their regional carriers to successfully complete an IOSA inspection.

Senator DORGAN. My understanding is that that may not be the case, that the issue of IOSA—

Mr. TRENARY. We can find out for you.

Senator DORGAN.—inspections is a more recent phenomenon. And inspections of regionals, in any event.

And the point I was getting at earlier is that the network carriers have a requirement with respect to co-chair partners. That requirement does not exist with respect to the regional carriers, isn't that correct?

Captain GUNTHER. Correct.

Senator DORGAN. And the obvious question is, Why? The co-chair partners actually don't wear your colors, in most cases; they have their own brand, and you move from one carrier to another, as a result of a co-chairing arrangement, which is very helpful to the traveling public. But, when you have a co-chair partner, you have a requirement—and I understand you accept that requirement as a result of an IOSA inspection—but, as opposed to a co-chair, when you have a relationship with a commuter carrier, that requirement does not exist. And that's a strange disconnect, as far as I'm concerned, because that disconnects the responsibility from the network to the regional.

Captain GUNTHER. Yes, sir. And if I could make the point—one of the reasons IOSA is so important—we are dealing with carriers outside this country, with different regulators. And those regulators vary from country to country. And the purpose of IOSA was to standardize, throughout the different regulators, a standard safety format so that we could be assured, no matter what country we were dealing with, that they were meeting the standards set up by IATA and the ICAO standards.

We have a standard, in this country, which is set up by the FAA—safety standards. And so, as the regionals are doing IOSA, and several of our regionals have IOSA audits, that is in line with what we have with these alliances—so, an Air France can look at a flight, knowing that every one of their passengers will be on a carrier that has met that IOSA standard, and that helps them, because of the difference in regulators, as we go across different countries.

Mr. BOWLER. Senator, I might—

Senator DORGAN. But, the only thing I would say to that is that there's a general feeling, I think, even at the FAA, that that's—one standard has drifted since the mid-1990s—the articulation by the FAA of one safety standard, one standard. I think there's a general feeling, on this panel, I would say, that that has drifted some, and that's why there's now new attention to trying to make certain we have that which was previously described as one standard. So, if it did drift, and you don't have one standard, then, it seems to me, the requirement would be even more important with respect to regional carriers on behalf of the networks.

Captain GUNTHER. And I understand that, Senator, and I agree with the one standard. We need to have one standard in this country.

Mr. BOWLER. Senator—

Senator DORGAN. Mr. Bowler, did you want to respond?

Mr. BOWLER. Well, I just wanted to comment that, in light of the transparency between ourselves and American and the other audit and safety-related activities, we have not undergone an IOSA audit at Eagle; it is something we're considering doing, going forward. We have not done so to this point.

Senator DORGAN. But, I assume that Eagle is different, in the sense that there's a requirement on the part of your parent company—I mean, your parent company's responsible for what happens with you, because they own you. Is that correct? Am I wrong about that?

Mr. BOWLER. Well, the executives of American Eagle are responsible for managing it, in the eyes of the FAA. Perhaps, in—if the—if it's a legal responsibility, as liability of—in the event of an accident, to the extent we have common ownership, then there's shared responsibility.

Senator DORGAN. All right.

Let me just conclude by saying that I have flown, I suppose, almost all commercial planes over the many years I've served, and—I mean, I can recall “the good old days.” Let me frame it, as Senator Thune has done, from the Dakota experience. I can recall “the good old days,” when leaving Bismarck, North Dakota, you were almost always going to leave on a 737 or a 727, by Western Airlines, Republic—or a DC-9, perhaps—Republic Airlines, Northwest Airlines, Frontier Airlines—all of them flying larger airplanes. That was “the good old days,” 30 years ago. And then we had Metroliners, the little cigar tubes, silver tubes that people sat in. And then 1900s, and now RJ-50s, and now, you know, 76-passenger RJs. I mean, we've had this morphing of different kinds of equipment. And at the same time, we've gone from a hub-and-spoke system that's—that was created by—in their own image, and run by the major carriers. And I understand; it made a lot of sense. You pick people up in a spoke, move them to a hub, regather them in another airplane, and fly them from one hub to another. It makes a lot of sense. It's the business model that they created after deregulation. And—that new model, however, has also now changed, from the network carriers picking people up in the spoke and delivering them, to hiring other companies to do that job—smaller companies, in many cases—and companies in which they'll fly smaller, perhaps right-sized, airplanes, in some cases, and car-

riers that will be paying less for their crew and their pilots. And therefore, if one-half of the flights that take off from airports today are with those kinds of companies, regional carriers who are paying less for their crews in the cockpit, and flight attendants and so on, it just leads to an obvious question, Do we have the same standards if we have less-experienced, lower-paid crews than “the good old days,” when the 737, DC-9, and 727 would be coming in, with only the major carrier flying it?

Now, I understand the business model has changed. But, as the business model has changed, and half those flights are now not with the network carrier, but with some other kind of service, the question, I think, that we ask, and I think the FAA has to look at, is, Are there diminished standards? Is there equivalent capability? Do we have, as a passenger, a right to believe that behind the cockpit door represents the same capability, same experience, same professionalism, and so on?

And I’m not, by asking the question, diminishing a lot of good people that fly. I see—I mean, I fly on a lot of these airplanes. I get off some of them, and I look in the cockpit and think, “Holy cow. I mean, is that person out of college yet? Rather young pilot.” But, I’m the last person that should be saying that, because I’m—I was selected by a Governor, at age 26, to serve in a constitutional office.

So, I understand, you can be young and professional, and do a great job. I understand all of that. I’m just saying that the way this whole system has been created in recent years is the creation of a regional system that pays less and flies smaller planes—and the significant question I think Senator Begich, I, and others ask is, Has the FAA and have standards kept up so that a passenger boarding that plane with those markings can feel it is boarding the plane with the same kind of experience as existed on network carriers’ plane? That—I mean, that’s part of the discussion about all of this that we’ve had with the FAA and with your carriers.

And I want to end where I began. It’s not my intention to frighten anybody, it’s not my intention to suggest we don’t have a remarkably safe system. We do. We’ve—we have, knock on wood, had precious few casualties and accidents. But, at least those circumstances that have existed that resulted in tragedy, I think, raise questions and constantly should require us to be alert to what kind of changes are required, given the fact that these—that this industry has changed and is creating and providing a different kind of service in different areas of the country.

So, if any of you have observations you wish to make to that, I’d be happy to hear them, and then we’re going to adjourn the hearing.

Anyone wish to comment on that?

[No response.]

Senator DORGAN. This is the third in a series of hearings we’ve held. We are working closely with the FAA and Administrator Babbitt. We want to work closely with all of you to try to continue to think through, to be alert, and to understand these issues, and make certain that we always make changes that are necessary to assure the American people that, when you board an airplane in this country, you have confidence that the standards are being met,

enforced vigorously, we have an FAA that is doing its job, and we have airline carriers that are required to be vigilant in doing their job. That's what we want the American people to believe and understand.

So, I want to thank you. I know that people who run airlines and are in executive positions with airlines don't want to come to the Congress to talk about two things: their finances or safety. I understand that. So, I understand you didn't exactly line up at the door, asking to be admitted. But, we, on the Committee, very much appreciate your willingness to continue this discussion. It's very important. And we'll continue to have this discussion in the future, with you and with the FAA.

This hearing's adjourned.

[Whereupon, at 11:50 a.m., the hearing was adjourned.]

## A P P E N D I X

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BYRON L. DORGAN TO  
CAPTAIN STEPHEN M. DICKSON

*Question 1.* In most code-share agreements between major and regional air carriers the major airline is typically given the right to inspect the safety of their code-share partners' operations. Does this right exist in all of your companies' code-share agreements?

Answer. Yes.

*Question 1a.* Does Continental or Delta exercise this right as a matter of standard policy? If so, how often and what was the scope of your review during these inspections?

Answer. Delta's approach to safety oversight of our regional partners has many aspects. Certainly, having the ability to inspect and work with our regional partners is one key part of our safety program. As a matter of course, Delta is able to and does exercise its right to inspect our partners. We recognize that audits and inspections particularly on such items as safety and quality programs, pilot hiring, pilot training, and operations control are an on-going part of our responsibilities. We also are able to, and do, carry out full audits of operations of our regional partners.

*Question 1b.* How are the findings of these inspections communicated to the regional airlines?

Answer. After an audit or inspection, we make sure that our regional partners are aware of our findings and we work with the regional partner, depending on the finding, to make any necessary changes. Any findings from audits are handled under a consistent set of processes within our company, whether the audit is internal or conducted by a third party. In addition, these are all handled in accordance with our FAA approved quality programs.

*Question 1c.* Have any changes been implemented at a regional airline as a result of the major air carrier's safety inspection?

Answer. We believe that audits and inspections have enhanced safety of operations. Sharing of best practices has resulted in more robust safety programs in such areas as training, winter operations, and deicing.

*Question 2.* Although DOT currently has a rule that requires the disclosure of the identity of each company that operates a leg of a flight on behalf of a major carrier, confusion remains for many passengers regarding which air carrier is actually operating their flight. How can we further raise the awareness of consumers when their flight is operated by an air carrier other than the one from whom they purchased their tickets?

Answer. As the question indicates, the operator is required by the DOT to be identified at the time of purchase. For Delta, specific operators are identified to customers when they purchase through our reservations phone lines, and the information is displayed for Internet users on our website. In addition, the "operated by" identification is made again on tickets and again on the boarding passes. Finally, for Delta and Delta Connection customers boarding regional aircraft, the regional partner is displayed on the fuselage of the aircraft just outside the boarding door.

*Question 3.* Some major airlines have a "flow back" provision in their contract with pilots which allows an experienced pilot at a major airline that becomes furloughed or laid-off the opportunity to fly for the major carrier's affiliated regional airline. Does your air carrier have flow-back provisions in their contracts with your pilots? What your assessment of the utility of "flow back" provisions? If you believe that they are effective, why aren't they more utilized across the industry?

Answer. We have flow-back provisions with two of our regional partners, Mesaba and Compass. Flow-back provisions are usually paired with a corresponding flow-up capability. While there are advantages to flow-back and flow-up provisions, the differing needs of the carriers can make the use of such provisions challenging. The flow-back provisions tend to create additional training requirements and disruption

at the regional carrier, particularly if the mainline carrier is in a period of retrenchment and the regional is in a stable or growth period.

*Question 4.* Do you believe that “one level of safety” has been achieved for all Part 121 air carriers?

Answer. Yes. When the one level of safety program was announced a number of years ago, it presented challenges, particularly for the Part 135 operators. Today, the Part 121 regulations provide a single standard for both regional and mainline operations. FAA requirements are typically the minimum standard with many different methods of compliance. Many carriers have implemented programs tailored to their operations that exceed the minimum regulatory requirements by a significant margin. For example, the implementation of training programs under Advanced Qualification Programs (AQPs) often allows carriers to conduct pilot training that is more applicable and relevant to real-world scenarios and the conditions under which carriers operate.

*Question 5.* In what ways may a major airline and its regional partners work together to improve aviation safety?

Answer. Delta has established a formal Safety Alliance with all nine of its regional partner carriers. This Alliance meets monthly and participants include the Directors of Safety for all carriers. During these meetings the carriers share performance on common safety metrics (accident/incident investigations and solutions to safety issues that contributed to these events), work toward implementing enhanced safety programs and standards, and discuss common responses to industry safety concerns that the FAA has passed along through mechanisms such as SAFOs (Safety Alerts for Operators).

*Question 6.* Please describe the existing fatigue management policies for pilots in place at your air carrier. What can the government do to encourage your airlines to give pilots more leeway to forgo a shift because of fatigue?

Answer. Delta has implemented education on managing fatigue into our training programs and crew communications for the past 10 years. We have also worked closely with fatigue scientists to help us identify and mitigate risks in our operations due to potential fatigue issues. Additionally, we have collected and analyzed data to verify the performance of our pilots in some parts of our international operations, and this work is expanding now to other areas of our operation. Finally, any pilot who indicates he is fatigued while performing company flying is removed from the operation without question and without disciplinary action, no questions asked. In collaboration with industry, the FAA should adopt a scientifically-based Fatigue Risk Management (FRMS) model similar to that being developed within ICAO. This would eventually allow an operator to be much more proactive in managing this risk and would also provide for approved fatigue mitigation in areas where elevated risk was identified. Current rules are too prescriptive and not flexible enough to account for differences in the ways carriers operate.

*Question 7.* In the 1990s Atlas Air was having problems attracting qualified pilots. As part of their efforts to attract pilots, Atlas Air instituted the “Gateway Travel Program” which pays a commuting pilot’s travel and accommodation expenses to ensure that they are rested prior to their shifts. Why don’t more commercial airlines adopt programs like this to prevent fatigue?

Answer. Atlas, a cargo carrier, has a unique operation as compared to most scheduled passenger carriers. For example, Atlas’ pilots trips typically do not originate at a crew base so their pilots always have to commute to get in position to fly. On the rare occasion where one of our pilots would start from somewhere other than his base (*i.e.*, to cover a mid-rotation sick-out) we would handle this through a deadhead from the pilot’s base with rest and expenses taken into account. The flexibility of commuting is one of the factors pilots take into account when determining how to bid on positions in the airline. The payment of travel and accommodation expenses would also favor one group of pilots (commuters) over another (those who choose not to commute). As discussed at the hearing, the FAA is working through the issue of pilot fatigue. The Aviation Rulemaking Committee on fatigue, in which the industry participated, recently submitted its recommendations to the FAA. We look forward to continuing to work with the FAA on the science of fatigue and adopting best practices and procedures.

*Question 8.* Colgan has recently stated that it plans to conduct a LOSA Audit on all of its operations. As you may know, the FAA recommends not conducting such an audit within a year after an accident because the chances of getting normal data will be diminished. Do you think that Colgan should conduct a LOSA audit at this time?

Answer. LOSA has been an extremely valuable tool for Delta over the years and provides a perspective that is not available through other audit programs. From our

perspective a LOSA audit would provide value whether or not it was conducted in a post-accident environment.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BYRON L. DORGAN TO  
CAPTAIN DON GUNTHER

*Question 1.* In most code-share agreements between major and regional air carriers the major airline is typically given the right to inspect the safety of their code-share partners' operations. Does this right exist in all of your companies' code-share agreements?

Answer. In the event of a safety concern, Continental has the right to inspect, review and observe its partners operations of scheduled flights.

*Question 1a.* Does Continental or Delta exercise this right as a matter of standard policy?

Answer. Continental exercises its right to investigate reasonable safety concerns of which it is aware.

*Question 1b.* If so, how often and what was the scope of your review during these inspections?

Answer. There is no set schedule Continental follows with regard to exercising its right to investigate reasonable safety concerns. Continental communicates regularly with carriers with which it contracts and follows up on any notice it receives of safety or operational concerns. The scope of Continental's investigation would depend on the circumstances that prompted the review, but at a minimum, Continental obtains and reviews safety audits performed by qualified independent entities to learn more about a regional carrier, including available IOSA audit reports, DOD surveys, or other network carrier audits.

*Question 1c.* How are the findings of these inspections communicated to the regional airlines?

Answer. In person and/or by phone with the carrier's senior personnel in charge of safety and operations.

*Question 1d.* Have any changes been implemented at a regional airline as a result of the major air carrier's safety inspection?

Answer. Continental is unaware of what specific changes regional carriers with which it contracts have made based on Continental's exercise of its right to investigate reasonable safety concerns, but Continental is aware of changes that have been made in some carriers' policies and practices as a result of collaboration within the aviation community on issues that bear on safety, as well as Continental's sharing of its safety-related policies and practices with its code-share partners.

*Question 2.* Although DOT currently has a rule that requires the disclosure of the identity of each company that operates a leg of a flight on behalf of a major carrier, confusion remains for many passengers regarding which air carrier is actually operating their flight. How can we further raise the awareness of consumers when their flight is operated by an air carrier other than the one from whom they purchased their tickets?

Answer. The DOT requires airlines to disclose the carrier actually operating the flights. Continental does so in numerous different ways, including on its website, such as on the pages where customers search for flights, select flights, book itineraries and on e-ticket receipts. Additionally, Continental lists on its website all carriers with which it codeshares and/or participates in alliances. Customers who choose to make travel plans through telephone reservations or travel agents are also advised of the operating carrier at the time of booking.

*Question 3.* Some major airlines have a "flow back" provision in their contract with pilots which allow an experienced pilot at a major airline that becomes furloughed or laid-off the opportunity to fly for the major carrier's affiliated regional airline. Does your air carrier have flow-back provisions in their contracts with your pilots?

Answer. No.

*Question 3a.* What [sic] your assessment of the utility of "flow back" provisions?

Answer. They generally are workable for major carriers; however, such provisions tend to create strain on regional carriers during periods of rapid growth and reduction in pilot ranks at major carriers.

*Question 3b.* If you believe that they are effective, why aren't they more utilized across the industry?

Answer. See answer above.

*Question 4.* Do you believe that “one level of safety” has been achieved for all Part 121 air carriers?

Answer. Continental believes there should be one regulatory standard of safety and it should apply to all carriers, but Continental does not have the ability to determine whether it has been achieved for all Part 121 air carriers. Continental recognizes the leadership and oversight role of the FAA in promoting and ensuring airline safety. That being said, Continental is committed to working with all members of the aviation community to continuously improve the safety of our air transportation system.

*Question 5.* In what ways may a major airline and its regional partners work together to improve aviation safety?

Answer. FAA sets the safety standards for all airlines, and all airlines are each individually responsible for ensuring their own compliance. With regard to what airlines can do to help further the interests of safety within the FAA regulatory framework, Continental supports airlines working together to address recognized safety problems through participation in committees or task forces, such as the Aviation Safety Information and Analysis Sharing (ASIAS) program and the Commercial Aviation Safety Team (CAST), and by participation in safety forums and meetings where best practices and other aspects of the FAA voluntary safety programs (ASAP, FOQA, LOSA and AQP) are shared and discussed.

*Question 6.* Please describe the existing fatigue management policies for pilots in place at your air carrier.

Answer. Continental has a very explicit fatigue management policy for pilots. When a pilot calls in fatigued, they will be immediately removed from the schedule without reprimand.

*Question 6a.* What can the government do to encourage your airlines to give pilots more leeway to forgo a shift because of fatigue?

Answer. Currently, the FAA has established the Flight and Duty Time ARC to address fatigue issues and outline the process to establish a Fatigue Risk Management System (FRMS). The FRMS uses a science-based approach to managing fatigue and should have a fatigue policy embedded in its processes.

*Question 7.* In the 1990s Atlas Air was having problems attracting qualified pilots. As part of their efforts to attract pilots, Atlas Air instituted the “Gateway Travel Program” which pays a commuting pilot’s travel and accommodation expenses to ensure that they are rested prior to their shifts. Why don’t more commercial airlines adopt programs like this to prevent fatigue?

Answer. Network carriers have been able to attract and hire qualified pilots. Pilots are not restricted to living in a specific location and many choose to live away from their place of work. It is the responsibility of the crewmember to report for duty adequately rested and prepared for a scheduled flight duty period. Anything to the contrary will be viewed as a violation of FAR 91.13. An air carrier is prohibited from assigning a crew member to a flight duty period if the crew member has reported himself as not fit for duty or if the air carrier believes that the crew member is not fit for duty. A pilot, who says he/she is fatigued, is removed from duty without negative consequences.

*Question 8.* Colgan has recently stated that it plans to conduct a LOSA Audit on all of its operations. As you may know, the FAA recommends not conducting such an audit within a year after an accident because the chances of getting normal data will be diminished. Do you think that Colgan should conduct a LOSA audit at this time?

Answer. Continental understands that Colgan plans to conduct a Line Observation Safety Audit (LOSA) in the 1st Quarter of 2010, which would meet the recommended 1 year period following an accident.