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"COVID-19's Effects on U.S. Aviation and the Flight Path to Recovery" U.S. House of Representatives Committee on Transportation and Infrastructure March 2, 2021

On behalf of the Air Line Pilots Association, International (ALPA), I want to thank you, Chairman Larsen and Ranking Member Graves, for inviting me to testify on COVID-19's effects on U.S. aviation and the flight path to recovery. My name is Captain Joe DePete, and I serve as the president of ALPA. ALPA is the largest airline pilot union in the world, as well as the largest nongovernmental aviation safety organization in the world, with a history of safety advocacy spanning 90 years.

The airline industry is notoriously fickle. In good times, it is conspicuously cyclical and asset heavy, burdened by the vicissitudes of fuel expenses. Yet, in early 2020 the industry was in the midst of a banner year. Collectively, U.S. scheduled passenger airlines posted their 10th consecutive year of profitability, and passenger travel, both domestically and between the U.S. and abroad, was at all-time highs. Crucially, pilots and other airline personnel, who have historically borne a disproportionate share of industry burdens, were finally reaping the benefits of this success and stability, with employee wages and benefits at last recovering from post-9/11 carrier bankruptcies and the Great Recession. All the while, employment rose to more than 458,000 full-time equivalent employees in early 2020, an 18-year high. With the industry on firm footing, industry growth and employee morale looked to continue apace.

COVID-19's shocking arrival in the United States shattered this trend, as passenger volumes suddenly plunged 96 percent, demand for air travel virtually disappeared, and much of the nation shut down to mitigate virus transmission. This crisis is like nothing the industry has seen before. The speed, magnitude, and duration substantially dwarfed the financial fallout of the industry after the tragic events of 9/11, which primarily affected domestic and transatlantic markets rather than the entire globe. Fortunately, Congress responded immediately with the most proworker industry relief package in the nation's history through the Coronavirus, Aid, Relief, and Economic Security (CARES) Act's Payroll Support Program (PSP).

The Payroll Support Program

In the modern era, every congressionally authorized industry or company-specific relief package has, intentionally or otherwise, resulted in harm to employees or to their collectively bargained contracts and rights. From the 1979 Chrysler bailout to the restructuring of the so-called Big 3 automakers and, most notably, the post-9/11 airline relief program, employees and collective bargaining have been either major targets or collateral damage in such efforts. For example, after 9/11, Congress passed the Airline Transportation Safety and Stabilization Act (ATSSA), which provided cash, loans, loan guarantees, and insurance—among other tools—to help stabilize the airline industry under the auspices of the government-run Air Transportation Stabilization Board. The law contained no employee protections, as the carriers who were able to access assistance paid off their shareholders while essentially no money flowed through to frontline employees. Ominously, the Board used its credit instruments to wrest disproportionate wage and benefit concessions from workers, effectively entering the government into private sector collective bargaining to change labor contracts. The improperly drawn package was a major failure, dangerously intervening in collective bargaining and haphazardly distributing loans. Ultimately, most carriers went bankrupt in the ensuing years, with massive attendant employee harm.

Borne of this experience, ALPA and our labor allies worked with this Committee to completely change this antiworker dynamic through the PSP. The program is a three-legged stool in which collective bargaining is walled off from government interference, financial aid is *exclusively* subscribed to employee

payroll and benefits, and strong furlough prohibitions maintain employment. As a result, despite the worst year in airline history, roughly 83 percent of employees remain in the industry; pilots and other personnel have ensured the continuity of vaccine distribution and travel; and a broader economic fallout, including to knock-on industries, has been blunted. Importantly, if not for this unprecedented program, the airline industry would be in tatters; this hearing would instead be about industry bankruptcies, devastating challenges to cargo and passenger throughput, and the potentially hundreds of thousands of unemployed pilots and other airline employees who would be unable to respond to eventual demand. ALPA, our labor allies, and the airline industry owe this Committee, its members, staff, and the rest of Congress an incredible debt of gratitude for the PSP and its successors. It has been a lifeline to workers, communities, and the economy. It shows the power of worker-centered industry relief and should serve as a template moving forward.

Industry and Employment Outlook

While the PSP has been an invaluable success, the industry remains in a precarious position. U.S. carriers posted huge losses in 2020, as revenue dropped by 62 percent and demand remains down by about 64 percent. Currently, we do not expect to see meaningful profitability in the passenger airline industry to return until at least 2022. For these reasons, we are deeply appreciative of the ongoing efforts of this Committee to include a third round of PSP in the American Rescue Plan Act of 2021. ALPA members at numerous carriers, in addition to the tens of thousands of notices sent to employees at other airlines, have received WARN Act notices of impending furloughs beginning on March 31. We estimate current employee payroll for the passenger industry at approximately \$3.7 billion a month based on industry filings, with adjustments made for returning employees per the recall provisions of the PSP 2. PSP 2's precedent-setting provisions for recalling furloughed employees are succeeding, with the Bureau of Transportation Statistics reporting a December increase of 12,000 employees returning to payroll, suggesting a trend as the data lag and implementation of the recall continues. As such, the \$14 billion in PSP 3 funds should last until approximately August; however, given the potential for increased demand and profitability later in the year, we hope the aid lasts through the program's scheduled September 30 date.

While the industry is on firmer footing, the economic dangers posed by COVID-19 remain. Three ALPA carriers have shut down as a result of the pandemic, causing incredible hardship for our members, their families and other airline employees. Historically, airlines have grossly abused the bankruptcy process with the consent of the courts, despite there being clear evidence that Congress never intended for this outcome. As just one example, after 9/11, 50 air carriers sought protection from the bankruptcy code. Because of the courts' misapplication of the law, airlines were able squeeze \$83.5 billion in wage and benefit reductions, the dissolution of nearly every defined benefit pension plan, and in some cases dictate 50 percent pay cuts and 7-year contracts in order to cement long-term employee losses. These draconian cuts were grossly disproportionate in substance and duration, far outlasting the immediate need to successfully reorganize, and did not reflect economic circumstances. Prior to COVID-19, these wage cuts were just beginning to recover while benefits did not. To prevent any replay of this, it is long past due for Congress to reform Chapter 11 of the bankruptcy code to protect airline collective bargaining agreements and retirement plans to prevent further judicial perversion of congressional intent. Specifically, we call on Congress to pass the bicameral Protecting Employees and Retirees in Business Bankruptcies Act of 2020.

Pilot Availability and Training Capacity

Central to the rationale for the PSP is keeping pilots and other mission-critical employees available to respond quickly as demand returns to the industry. Pilots cannot simply return from unemployment to operate airline aircraft; they are subject to recency training requirements and medical approvals, and security clearances. Further, returning pilots from furlough or an inactive status triggers a complicated

reallocation of labor, as employees are redistributed across aircraft types and even between captain and first officer ranks—all of which requires extensive training and, in some cases, moves to different bases. These frictional costs are expensive, and if you are an airline, the last thing you would want in the midst of the largest downturn in the history of the industry is not being able to fully satisfy a recovery in passenger demand because you cannot train pilots fast enough.

Right now, dismal long-term booking commitments and the near absence of business travel demand is leaving some carriers with too little certainty to reactivate and retrain furloughed or otherwise inactive pilots. Thus, pilot training may *potentially* serve as a constraining variable to an accelerated recovery in passenger demand. ALPA is closely monitoring the demand for pilot services, and we plan to help get pilots back into training as soon as necessary. Getting furloughed and inactive pilots fully qualified ahead of an accelerated demand curve will help mitigate the impacts from any potential chokepoints in the training process and ensure the speediest return to service.

Health and Safety

Airline pilots have been on the front lines of fighting the pandemic—and still are today. Since the beginning of the crisis, ALPA members at passenger and cargo carriers have been transporting essential workers, personal protective equipment, and other supplies and are now flying the vaccine from manufacturing plants to locations across the United States and around the world. At the same time, airline pilots are working to keep supply chains open and stabilize our industry to help stop the spread of the virus and ensure our industry continues to contribute to the recovery.

The COVID-19 crisis has forced our industry to continually adapt to and mitigate aviation risks and hazards, and the continuous, iterative process has helped make air travel safe. In collaborative partnerships with Federal agencies, airline and aviation unions, aircraft manufacturers and other nonaviation entities, the industry has developed and implemented policies and procedures to provide multiple layers of protection to ensure the traveling public is safe and confident about travel. In order to ensure capacity to provide a fully functioning air transportation system, the aviation industry has worked together with federal agencies to obtain exemptions from certain aspects of training, extensions for medical certification, and an increase in the required altitude when crewmembers must don oxygen masks when one pilot is on the flight deck.

The process has not always been simple or easy. Dating to early 2020, ALPA was one of the first organizations to call for a federal mask mandate and related mitigations to stop virus spread and help restore confidence in air travel. It was clear that masks mitigate transmission, the Federal Aviation Administration (FAA) possessed the statutory authority and responsibility to issue clear and mandatory guidelines, and noncompulsory standards were confusing and insufficient. While carrier policies eventually were implemented, coordinated government leadership and support was necessary to set clear standards and help crewmembers swiftly handle noncompliant passengers *before* any potential in-flight issues arise. We are thankful the Biden Administration immediately issued the Executive Order on Promoting COVID-19 Safety in Domestic and International Travel to finally and formally provide long-overdue leadership and certainty for the industry, passengers, and employees. Mr. Chairman, I also want to thank you for your leadership and your support for precursory legislation, like the Healthy Flights Act, and long-term, strategic planning bills, such as the National Aviation Preparedness Plan Act, which are crucial to this success as well as future industry preparedness.

Industry Mitigation Tools and Strategies

As a globally interconnected industry with leisure, business, and cargo demand exposure, the industry has previous, relevant experience with health events and crises that have enabled aviation to quickly

implement or get ahead of pharmaceutical interventions. From the implementation of mask wearing and hygiene protocols to airflow management and filtration, the industry has quickly responded to COVID-19 to ensure air travel remains operational, safe, nimble, and responsive to passenger and cargo needs.

Filtration Systems

Through the use of ventilation, filtration, and outflow, the airline industry is able to create a healthy cabin environment on aircraft. With manufacturers building ventilation systems that recirculate cabin air on commercial aircraft since the 1980s, the industry has had considerable time and experience to perfect such systems prior to COVID-19. As a result, the environmental control systems that filter the airflow on aircraft use hospital-grade High-Efficiency Particulate Air (HEPA) filters that are capable of eliminating pathogens and are effective against viruses and bacteria. Similarly, the use of aircraft outflow valves, which control the pressure inside the cabin, to the maximum extent possible ensure our aircraft are continuously resupplied with fresh air every 90 seconds to 2 minutes.

A November 2020 Harvard Aviation Public Health Initiative study supports the positive effects that HEPA filters have in aviation. The study notes that air travel is as safe as – or substantially safer than – other routine activities, such as grocery shopping. One reason is because the air exchange rates are higher on aircraft versus many indoor occupied spaces, meaning that the air supplied to the cabin is recirculated multiple times through the HEPA filter.

Activities to Ensure Continued Safe Travel

Recognizing the importance of data, at the onset of the pandemic ALPA implemented a Data Action Report program to specifically collect reports on COVID health, security, training, and jumpseat concerns. These reports allowed ALPA to use a data-driven approach to identify for the FAA, TSA, and airlines where changes were needed. Following the initial reports, ALPA saw dramatic improvements in airlines' compliance with government guidelines.

The FAA has developed several iterations of a Safety Alert for Operators (SAFO) on COVID-19. This SAFO provides guidance for airlines related to aircraft airworthiness and crewmember and passenger protections during operations. Each iteration of the document has been developed in close coordination with the Centers for Disease Control and Prevention. The FAA and industry, in an effort to ensure the aircraft environment is adequately cleaned, sanitized, and disinfected, worked within the nonprofit public-private partnership RTCA Special Committee (SC-241) to develop guidance on the benefits and hazards of disinfecting products and procedures for their use. The result was RTCA DO-388 guidance around chemical and nonchemical disinfection of aircraft for use by aircraft operators and service providers to make air travel safe during this and any future pandemics.

Similarly, the International Civil Aviation Organization (ICAO), on March 9, 2020, established the ICAO Council Aviation Recovery Task Force (CART) tasked to identify and recommend strategic priorities and policies. CART focused on three areas: coping with COVID-19 challenges; ensuring aviation operations are facilitated in a safe, secure, and sustainable manner taking into consideration evolution of the pandemic and decisions by public health authorities; and finally, building a more resilient aviation system in the longer term. ICAO CART work continues to be updated as we learn more.

The aircraft manufacturers have also been working on their own COVID initiatives. Boeing has developed its "Confident Travel" initiative, while Airbus has developed its own "Keep Trust in Air Travel" program to provide passengers and crews a safe and healthy travel experience. ALPA has been communicating and coordinating with both manufacturers throughout the pandemic and both were instrumental in the work accomplished by the RTCA SC-241.

Research Related to Disease Transmission in Aircraft

In total, governmental sources and industry information show that mitigations in place have been effective. U.S. Transportation Command supported by Defense Advanced Research Projects Agency, Boeing, and United Airlines conducted one of the largest aircraft aerosol experimental tests to date. The study concluded that when masks are worn, aerosol exposure of particles exhaled by a passenger into the breathing space of passengers sitting next to them showed a minimum reduction of 99.7% of aerosol exposure. Similarly, data published by the International Air Transport Association shows that of the 1.2 billion airline passengers who traveled since the beginning of 2020, only 44 cases of in-flight COVID-19 transmission have been reported. In fact, the vast majority of cases occurred before face coverings were universally required.

Domestic Testing

Given the evidence of the safety of the airline industry, we are appreciative of the Biden Administration's thoughtful approach to travel, as provided in the mask mandate executive order and by the decision to forgo unnecessary and likely complicated domestic testing requirements. Testing provides only a snapshot at one point in time, and such a requirement would likely create meaningful logistical challenges and divert testing from more obviously necessary public health priorities. Additionally, with domestic departures approximately 17 times greater than international, the likely drop in air travel would be substantial. For example, since the international travel restriction went into effect, there has been a 47 percent reduction in the volume of tickets sold. A drop of similar magnitude in domestic ticket sales would precipitate a real crisis for industry employment.

COVID-19 Vaccines

ALPA urges Congress and the Administration to recognize the essential role of airline pilots in the supply chain. Flight crews have already been deemed essential workers by the Cybersecurity and Infrastructure Security Agency. It is critical that, following the initial distribution, which has been mostly complete, airline pilots are provided priority access to the vaccine as well. Ensuring this prioritization will allow the logistical component of transporting the vaccine to continue unencumbered.

International Challenges

While operations have continued to improve domestically, internationally our members continue to face significant challenges. Each country during the pandemic has created its own rules and policies, which has proved to be very difficult for airlines and crews to manage. For example, our crews who have flown through Hong Kong have faced uncertainties every time they layover. Crews are tested upon entry, and if they test positive, they are sent to a hospital or taken to an open bay facility at the Asia World-Expo, which has been described as deplorable. COVID-positive pilots have also been placed in the hospital settings in which they are locked in a room with another COVID-positive individual, although they were asymptomatic. The rest of the flight crew are detained in substandard government quarantine facilities for in excess of 24–48 hours. Efforts to evacuate these crewmembers through an air ambulance have proven in many cases to be unsuccessful. Some of our members who have tested positive have been detained for more than three weeks. Work must continue to ensure that U.S. citizens are able to be safely evacuated from anywhere in the world and not be subjected to these unacceptable conditions. The U.S. government needs to intercede on behalf of these airline pilots who are transporting critical health supplies and vaccines to help the world recover.

Conclusion

ALPA stands by as a committed, willing partner as we continue to chart a path through the pandemic. We appreciate your recognition of the unique and critical role played by pilots and all airline workers to safely maintain our air transportation system, support our national economy, and position the industry for a seamless rebound when demand returns. Thank you for the trust you place in us and your commitment to preserving our industry and its workers.