



# Talent Search

A US pilot shortage is hitting regional carriers hardest.

Envoy Air, an American Airlines regional carrier, Embraer E175.

By Ben Goldstein

**U**S domestic capacity in 2022 is returning to 2019 levels, but this follows the early retirements in 2020 and 2021 of thousands of flight crew. The result is that many US carriers once again face the prospect of an acute pilot shortage that is only expected to worsen in coming years.

Around 40% of all US-based airline pilots are expected to retire over the next decade, according to a report from Bloomberg Intelligence analyst George Ferguson. All told, Ferguson forecasts nearly 63,000 pilot retirements at mainline airlines between 2021 and 2032. As the majors replenish their ranks to meet recovering demand for air travel, regional carriers—which offer the lowest pay—will be gutted for talent.

“If you’re United, American, Delta or Southwest, you don’t really have to worry about finding pilots, because everybody ultimately wants to work for the largest carriers and make the most money,” Jerry

Glass, a consultant at F&H Solutions, explained.

“The concern is that there are so many pilots retiring over the next five or 10 years,” Glass said. “Will there be enough pilots to handle the demand and the replacement of those who are retiring? I think the answer will be that the regionals will struggle to find pilots, but the bigger guys won’t.”

Mesa Airlines CEO Jonathan Ornstein told *ATW* that he believes major airlines were too quick to offer early retirement to their pilots in 2020 during the depths of the pandemic. That decision is now coming back to haunt them, he contends, as evidenced by the elevated percentage of US flight cancellations in recent months that he attributes to a lack of pilot reserves.

The overall number of US regional pilots has declined by 2,500, or 13%, since 2019, according to the Swelbar-Zhong Consultancy, exceeding the 8% overall industry decline.





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Ultra-LCCs are the only segment to grow their pilot base, with Allegiant Air, Frontier Airlines and Spirit Airlines all employing more pilots in 2022 than in 2019—many of whom migrated from the regionals in search of better pay.

In turn, ULCCs are seeing more of their pilots go to fly for the majors, filling in for the nearly 6,000 pilots who retired early last year. Allegiant Air CEO Maury Gallagher said his company has seen its attrition rate nearly double from 5%-6% to 10%, with the majority going to legacy carriers. As majors soak up ULCC pilots, and ULCCs soak up regional pilots, the smallest regional carriers find themselves chronically short-staffed and lacking the ability to make up the difference.

### CONTROVERSIAL RULE

Some regional airline executives believe the US 1,500-hour flight time requirement for commercial air-

line pilots has made it unaffordable for young people to become pilots. Adopted in 2013 following the fatal crash of a regional aircraft, Colgan Air Flight 3407, the policy requires prospective pilots to amass 1,500 hours of flying time before qualifying to receive their commercial airline transport pilot (ATP) certificate.

"The 1,500-hour rule has got to be the most disastrous piece of legislation in terms of its impact on aviation," Ornstein said. "The number of people entering the industry has diminished so much as a result of this rule and the cost of getting licensed has gone way up. Not only is it just the cost of getting to 1,500 hours, it's the years of your life out of the workforce that it takes to get there. Especially for disadvantaged and underprivileged people, it's just a slap in the face."

Ornstein said he believes simulator time is more valuable than ordinary flying time, and that pilots today are less qualified with 1,500 hours of experience than they were with 300 hours of "intense training" at the airline's training centers in Arizona and New Mexico. He also pointed out that foreign pilots with under 1,500 hours of flight time are allowed to fly to the US, which he said contradicts the supposed safety benefits of the rule.

"No other country in the world has adopted this rule, not a single one," Ornstein said, adding: "It seems crazy that a 300-hour [first officer] can land a Lufthansa A350 into JFK flying over Queens, and a US pilot can't do the same thing."

The 1,500-hour rule does have its supporters, however, chief among them the Air Line Pilots Association (ALPA), which has been a major proponent of the policy since its inception. The union credits the regulation with the stellar safety record of US airlines in recent years, with just two passenger fatalities since the rule's adoption.

"The current pilot training, experience and qualification law in the US has created an unparalleled record of aviation safety in the US and has reduced aviation fatalities by 99.8%," an ALPA spokesperson said. "Any suggestion that reducing the training of pilots to address a nonexistent pilot supply issue is reckless, to say the least."

But the regional airline executives see it differently. Speaking on a recent earnings call, SkyWest Airlines CEO Chip Childs said there was "more engagement than ever" on dialogue related to the 1,500-hour rule. He also predicted that small communities would lose air service unless action is



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—SkyWest Airlines CEO Chip Childs



**SkyWest Airlines**, with a fleet of more than 500 aircraft, is the largest regional carrier in the US.

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taken to increase the ranks of regional pilots.

“As we continue to get out of various flying in smaller communities, some cities will lose service altogether; some will drastically reduce frequency,” Childs said.

As the economics of flying to small communities become increasingly unworkable, carriers are accelerating the removal of their remaining 50-seat regional jets. Ornstein predicts that virtually all 50-seat jets will be gone from the US “within two years,” which he said will lead to further consolidation among the smallest regionals.

Regardless of whether that forecast pans out, the trend is clear that 50-seaters are on the way out. That raises the question of what happens to those airports that depend on service from small regional jets for a large portion of their total departures. William Swelbar of the Swelbar-Zhong Consultancy believes it is time to address the “third rail” of the federal Essential Air Service program, noting: “We simply have a workforce too small to serve an infrastructure too big.”

“These airports—and there are many—that are trying to compete with other airports within a reasonable driving distance, with just two frequencies per day to a single hub, need to begin thinking about what is next,” Swelbar said. “Industry vendors and upstarts looking to communities to provide

working capital need to stop promising air service for the sake of air service. It does not work in most geographies.”

#### **NEW ACADEMIES**

Some carriers are being proactive about strengthening their pilot pipelines. United Airlines purchased its own flight school, the United Aviate Academy, in February 2020. The Chicago-based airline plans to hire 10,000 new pilots by 2030 and wants at least half of them to come from the United Aviate Academy.

Students will have the opportunity to amass their first 250 flight hours on training aircraft at the academy’s Phoenix-based campus. From there, they will have the opportunity to obtain the rest of their minimum hours with the Aviate program’s partner airlines—including United’s regional affiliates CommutAir, GoJet Airlines and Mesa—before transitioning to fly at mainline United.

“We like the minimum-hours requirement because it means that they’re at the regionals for more than two years—probably closer to three years—in order to get those 2,000 hours,” United Aviate managing director Curt Brunjes said. “It lets the regionals amortize their investment in the pilots and creates a substantial foundation of flight experience before they transition to United.” **ATW**