

STATEMENT OF
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BEFORE THE SUBCOMMITTEE ON COMMERCIAL
AND ADMINISTRATIVE LAW
COMMITTEE ON THE JUDICIARY
UNITED STATES HOUSE OF REPRESENTATIVES
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TREATMENT OF AIRLINE EMPLOYEES IN A BUSINESS BANKRUPTCY

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Chairman Cohen, Chairman Conyers, Ranking Members Smith and Franks, and other members of the Committee, it is my honor to appear before you today to provide testimony regarding an issue that is critical to airline employees across our nation.

Like my colleague, Captain Arnie Gentile, I am a US Airways pilot and have personal knowledge about how airline bankruptcies affect airline employees. My pay was also drastically cut by 40% and my contractual entitlement to a retirement pension was stripped away, all under the veil of Bankruptcy Code provisions that are specific to airline employees.

Like me, thousands of our commercial pilots served our country in jet fighters and other cockpits of the armed services. We know what commitment is and we know when commitments are broken. For professional pilots to have their retirement commitment broken – in large part because they do not have the same rights during a business bankruptcy as every other organized employee in the United States – is an injustice that needs to be rectified.

Airline pilots do not live in a vacuum, and we understand fully and are sympathetic to the fact that many Americans have recently experienced economic difficulties. But airline employees have been hit by an economic tsunami that dates back to 2001. One of the driving forces has been the discriminatory application of the Bankruptcy Code to this specific group of employees.

In all, over 100 airlines have filed for protection against their debtors since the late 1970's, the time of airline de-regulation. Airline managements have shown a willingness to file bankruptcy and use their leverage to ravage airline collective bargaining agreements, resulting in lower wages, loss of pensions, and poor working conditions for airline employees.

I believe it is essential that our lawmakers realize the unintended consequences of exposing airline pilots during bankruptcy proceedings, which have directly led to working conditions that challenge even the most seasoned pilots. The rapidity and near-unanimity with which the United States House of Representatives approved the "Airline Safety and Pilot Training Improvement Act of 2009" demonstrate the House's keen appreciation of the fact that our industry has reduced the margins above the regulatory minimums on which we historically have relied.

Pilot compensation was for many years comparable to what other professionals earned. That is no longer the case. At large carriers, many current airline pilot salaries are equal to 1989-1992 levels, without any adjustment for inflation. Given a wide array of career choices, military-trained pilots and other young, ambitious, well-educated individuals must weigh the financial sacrifice associated with the airline pilot profession.

Because this profession isn't valued as much as it used to be, because of the other choices available to those entering the workforce, hiring standards at many airlines have been lowered significantly from when I started. Even as recently as 2001, a well managed regional airline requested 3,000 hours of flight experience and 1,000 hours in turbine powered aircraft. That same airline today has dropped its requirements to 500 hours total. Other regional airlines have hired pilots with less than 300 hours, requiring only 190 hours of experience, the FAA minimum.

In addition to compensation, pilot collective bargaining agreements have long provided margins developed over decades that pilots deemed necessary to ensure adequate rest and sufficient levels of training. In many cases, those provisions no longer exist. Without the appropriate level of bankruptcy protection, these collective bargaining agreements will be in jeopardy of further erosion.

When my company offered pilots who had been laid off the chance to return to work, 60% refused. Members, as I testified to the House Aviation Subcommittee in February of this year, *I attempt to speak accurately and plainly, so please do not think I exaggerate when I say that I do not know a single professional airline pilot who wants his or her children to follow in their footsteps.*

It has been pointed out several times during testimony here today that airline employees stand alone in bankruptcy. We do not have the same rights under RLA that railroad employees do – and the absence of these rights has created a situation where airline employers may, as a practical matter, gut our wages, work rules, and pensions with impunity.

Let me be clear: I am not advocating the elimination of bankruptcy laws. Certainly, bankruptcy laws have played an important role in American industry. But there is no basis for the discriminatory treatment of airline employees inside the bankruptcy process. It certainly was not the intention of the framers of the RLA. Unfortunately, the current situation has created a tremendous disadvantage to airline employees. The result is the destruction of professions within the industry that are fundamental to the safe operation of our nation's air transportation system.

Unlike all other organized labor, railroad and airline employees fall under the RLA. The logical solution is for airline employees to fall under Bankruptcy Code section 1167, like their railroad counterparts. With airline employees under section 1167, management and labor will better recognize each other's needs and a certain level of cooperation will ensue creating a partnership that will serve both sides better into the future.

You can help us, honorable Members of Congress, to work together across party lines, end the inequity, and promote a better balance in the airline industry. We must keep the American commercial aviation industry safe and affordable for passengers, and financially viable for all stakeholders, including those who work in the industry day to day. Accordingly, I ask the members of Congress for the fair treatment of airline employees inside a business bankruptcy, and strongly suggest this could be accomplished by having airline employees fall under Bankruptcy Code 1167.

Thank you for the opportunity to share my perspective with you today.