



Airlines for America
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Testimony

“Status of the Boeing 737 MAX: Stakeholder Perspectives”

Statement of Airlines for America (A4A)
before the
U.S. House of Representatives
Aviation Subcommittee
of the
Committee on Transportation and Infrastructure

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Chairman Larsen, Ranking Member Graves, Members of the Committee,

Before I begin, on behalf of our industry, I would like to offer both profound and heartfelt condolences to the families, friends and loved ones of the passengers and crew members aboard both Lion Air 610 and Ethiopian Airlines 302 as well as our commitment to actions and policies to help ensure the highest level of aviation safety. Our hearts and thoughts are with them.

My name is Sharon Pinkerton and I am the Senior Vice President of Legislative and Regulatory Policy for Airlines for America (A4A). Thank you for the opportunity to testify. We welcome and appreciate the opportunity to discuss our most important and paramount priority, aviation safety.

Nothing is more foundational to our industry than our deep commitment to safety; it is an ingrained second nature that touches every aspect of our global industry. The entire aviation community understands that safety is the bedrock upon which consumer confidence is built. When it comes to safety, our baseline is perfection. When perfection is not attained, it is critical we undertake a methodical and deliberate review of all the components of our extremely complex and technical system to make sure we isolate problems and identify the fixes necessary to make our system better. As an industry, we look forward to playing a constructive role in building upon and improving the tremendous safety record we have all worked so hard to achieve. That’s why the flying public can have tremendous confidence in the U.S. airline industry today. We have an unparalleled safety record that any other industry — let alone any other mode of transportation — should envy. We must not lose sight of the fact that aviation is THE safest mode of transportation by any measure.

Aviation Safety – Facts Matter

Safety of our passengers and employees is at the core of U.S. airline operations and everything we do. The unprecedented safety record of U.S. carriers has been the result of deliberate and systemic improvements over many years. We’ve moved from a forensic approach of determining what happened in aviation accidents to a proactive, data-driven approach which identifies risks and hazards aimed at preventing accidents before they occur.

The nation's impressive commercial aviation safety record is due in large part to the aviation industry and government voluntarily investing in calculated safety enhancements to further reduce the nearly infinitesimal fatality risk in U.S. commercial air travel. For example, the work of the Commercial Aviation Safety Team (CAST) data driven regulations, and other industry safety activities, contributed to reducing the fatality risk for commercial aviation in the U.S. by 83 percent from 1998 to 2008. Today, the CAST aims to reduce the remaining risk (50 percent) by 2025 by further leveraging industry data and analytical tools from the Aviation Safety Information Analysis and Sharing Program (ASIAS). These efforts and others like them have helped the U.S. achieve the safest period in its history.

Because there are few commercial aviation accidents and no common causes, more data points are needed. Voluntary programs such as the Aviation Safety Action Program (ASAP), Flight Operational Quality Assurance (FOQA) program and Air Traffic Safety Action Program (ATSAP) give air carriers and the government insight into millions of operations so potential systemic safety issues and trends can be identified.

Together with our industry partners, the FAA and labor, we identify and manage risk through several collective efforts and those voluntary programs. For example, the ASAP encourages voluntary reporting of safety issues and events that come to the attention of pilots, cabin crew, mechanics and dispatchers. ASAP is based on a safety partnership that includes the FAA, the certificate holder and employee labor organizations. Employees report instances of noncompliance and safety concerns without fear of recrimination. ASAP reports are analyzed and evaluated, and corrective measure are taken by the industry to address the safety concerns raised.

Similarly, CAST and ASIAs represent long-standing commitments to building safety partnerships between government and industry that focus on pursuing safety improvements in a collaborative and proactive manner. ASIAs connects a wide variety of voluntarily provided safety data from airline aircraft performance data and safety reports as well as other information sources from across industry. The ASIAs program works closely with a variety of integrated safety teams to analyze safety data, identify risks and develop mitigation strategies. The program continues to evolve but has matured to the point that it now incorporates voluntarily provided safety data from operators that represent 99 percent of U.S. air carrier operations in the National Airspace System (NAS).

While any loss of any life is tragic, the odds of suffering a fatality are far greater as a pedestrian, riding a bike, being a passenger in a car or even being struck by lightning, based on data from the collaborative efforts between government and industry to improve aviation safety.

We strongly believe the FAA's safety and regulatory framework is the gold standard in the world, and our U.S. safety record demonstrates its success. As an industry, we will continue to adapt to change; identify new risks and hazards; collectively and collaboratively analyze risk; develop mitigation strategies; and continue to make the safest airspace system in the world even safer. Our continued success depends on these strong partnerships built on trust.

Industry Impact, Assessment and Response

For A4A member airlines that operated the 737 MAX, the FAA decision to ground the aircraft created several immediate operational challenges. These challenges were most acute at the onset of the grounding as carriers were forced to make quick operational decisions to accommodate passengers and adjust schedules. The extent of the necessary adjustments varied based on overall fleet size, segments operated, available spare aircraft and other factors. Below is a table showing the 737 MAX aircraft in U.S. airline fleets as of March 31, 2019:

U.S. Airline	737 MAX Fleet as of 3/31/19
Southwest	34
American	24
United	14
Subtotal USA	72

Impacted carriers immediately started a process of forensically analyzing their individual operations for available aircraft to cover flight segments in order to minimize customer disruption as much as possible. While each carrier dealt with the situation in a manner consistent with their respective business, in general, the industry employed an array of mechanisms to cope with the disruptions, including but not limited to:

- Trimmed 2019 capacity growth;
- Incorporated spare aircraft into the active schedule;
- Increased daily utilization of other aircraft types;
- Deferred some painting, Wi-Fi installation/upgrades, and selected other discretionary enhancements;
- Reduced frequency on longer routes where alternative routings were practicable;
- Temporarily suspended lighter routes;
- Leveraged automated rebooking tools (~99 percent of passengers rebooked within 24 hours); and
- Consideration of leasing additional aircraft or deferring retirements.

In the initial days after the grounding, it was unclear how long the aircraft would remain grounded. Given the uncertainty, carriers made schedule adjustments in order to accommodate the loss of the aircraft for three- to four-week periods. Many of those short-term plans have now been extended for months. The lack of certainty remains to this day, which means carriers will have to continuously revisit schedules and operational plans as the situation progresses. The bottom line is that impacted air carriers will do everything they can to make sure customers are accommodated.

Fleet management is a continual challenge. As the Committee knows, U.S. airlines have been making significant upgrades to their fleets over the past decade, which means new aircraft are coming on-line every day, including several 737 MAX. In addition to the scheduling accommodations made for existing aircraft, carriers have had to adjust flight schedules and service plans based on the unknown delivery schedule. Following is a table of 737 MAX orders for A4A members as of March 31, 2019:

A4A Member Airline	On Order as of 3/31/2019
Southwest	268 (44 in the remainder of 2019)
American	76 (16 in the remainder of 2019)
United	171 (16 in the remainder of 2019)
Alaska	32 (3 in the remainder of 2019)
Subtotal USA	515 (76 in the remainder of 2019)
Air Canada	37 (12 in the remainder of 2019)

As indicated, several dozen 737 MAX aircraft were slated for delivery between the date of the grounding and the remainder of the year, and the return of the aircraft is generally not expected in time for the peak summer travel season. In fact, A4A has projected summer 2019 air travel on U.S. airlines to rise for the tenth consecutive year to an all-time high of 257.4 million passengers (2.8 million per day). The more 737 MAX time is built into the schedule, the more aircraft time is needed to cover lost availability. A4A estimates 737 MAX-related summer flying reductions of approximately 250 daily flights and 43,000 daily seats for American, Southwest and United alone. This pull-down in capacity is likely to put upward pressure on load factors.

The high load factors and use of spare aircraft for active flying – to partially offset the void left by the grounded MAX fleet – will make irregular operations caused by severe weather or other factors more difficult to mitigate. Carriers are preparing accordingly and will continue to be as nimble as possible to provide a seamless operation, capitalizing on investments in equipment, staff and training made over the past several years.

Airworthiness - Return to Service Decision

As noted, there is currently significant uncertainty related to the timeline upon which the 737 MAX will be approved to return to service. However, we recognize and agree that a full and robust process of analyzing and testing any software design and training requirements is of the utmost importance and the first step toward re-establishing public confidence. Boeing has indicated they have put the software update through hundreds of hours of analysis, laboratory testing, verification in a simulator, and test flights. As the industry continues to await guidance from Boeing and the FAA on the impending 737 MAX software enhancements and training requirements, we are encouraged by the reported progress and proposed path forward for returning the aircraft to service. We are confident that, once certified by the FAA, the proposed enhancements will support the safe operation of the MAX – making the aircraft one of the safest in the sky. We are confident in our employees, procedures, airplanes, training, maintenance, and performance monitoring systems. Boeing has said that the software update will provide another layer of safety to the operation of the MAX aircraft. We look forward to the FAA's final guidance and will fully comply with any modifications and additional training requirements to strengthen the reliability of the 737 MAX.

We fully expect the 737 MAX eventually will be deemed airworthy and will return to service. When that decision is made, each carrier will take specific steps based on its operations, maintenance and training programs. In fact, much of the planning has been on-going since the initial removal from service. Multiple departments at the airlines including aircraft maintenance, training, crew planning and scheduling as well as network planning and scheduling have roles in returning the aircraft to service. While specific timing may vary, generally, once the 737 MAX is approved for return to service several steps will be taken, including but not limited to:

- Necessary modifications to software and/or physical installations resulting from the Maneuvering Characteristics Augmentation System (MCAS) review must be implemented, completed and inspected;
 - While A4A members who operate the 737 MAX support the findings of the FAA Flight Standards Board (FSB) for Level B training and checking for the MCAS system, we are awaiting a release of training guidance and will review and comment once that training guidance has been issued.
- Assurance that aircraft are in compliance with all current Airworthiness Directives that may have been issued or that became due during the out-of-service period;
- Assurance that any calendar-scheduled maintenance tasks are accomplished;
- Accomplish all pre-flight service checks per applicable maintenance manuals;
- Review the aircraft's Maintenance Logbook and execute an Airworthiness Release for flight; and
- Execute any required maintenance flight tests.

We are confident that the collaborative global process the FAA has undertaken will eventually lead to a decision that will be supported by manufacturers, operators, pilots and foreign regulatory bodies as well as the flying public. The FAA has been transparent with international regulators throughout this process by sharing their safety response to these accidents as well as their data and testing. Make no mistake, it will take a significant amount of work, but a collaborative message and understanding will go a long way toward building public confidence in the aircraft. We look forward to playing a constructive role in that process.

Recommendation

We believe it is more important than ever that we make fact-based data-driven decisions when it comes to policy toward our aviation safety system. Our industry has learned over the decades to wait for ongoing investigations to conclude before rushing to judgment. Our aviation system is safer than ever, and the U.S. commercial aviation safety record is second to none.

Our safety record has evolved over decades with collaboration between the FAA, manufacturers, air traffic controllers, pilots, operators and many others. An open culture of effective collaboration should not

be misconstrued with coziness. There is no doubt or disagreement that a balance is needed when it comes to a regulator and the industry it oversees, but factual assessment of the results achieved by that relationship should weigh heavily on the minds of those so anxious to change it. Airlines do not compete when it comes to safety. Safety is simply not something anyone in our industry takes for granted, and it never will.

Mr. Chairman, I would be remiss not to take the opportunity to thank you for your work on H.R. 1108, the Aviation Funding Stability Act of 2019. We sincerely appreciate the Committee's leadership and focus on practical solutions to mitigate federal shutdown impacts. As you know, the impact of government shutdowns is particularly acute on the aviation industry. With a robust FAA Airport and Airway Trust Fund balance there is absolutely no reason that thousands upon thousands of people should be forced to work without pay. As we look down the barrel of yet another controversial budget and funding season --- we will continue to support your efforts. The systemic approach to improving aviation safety means you fixate on and reduce risk across all components. I think we can all agree, taking government shutdowns out of the picture will certainly improve our system.

Thank you for the opportunity to testify. I look forward to your questions.