

PILOT PERIL

Republic, Industry Seek Answers to Serious Shortage

By Charlee Beasor



If-then scenarios – also known as conditional statements – are common in science and math disciplines. For example: If this, then that (depending on the variables).

The logic can be applied to the looming national pilot shortage and could start something like this: If there are not enough pilots, then planes are grounded.

The United States is estimated to be 3,000 commercial pilots short of demand by the end of 2020, according to the Regional Airline Association (RAA). However, the true cost of that simplified “if-then” scenario is staggering.

“The rough number is 3,000 pilots. That’s 300 airplanes,” offers Matt Koscal, senior vice president and chief administrative officer for Indianapolis-based Republic Airways.

“There will be 300 fewer airplanes flying in the States than there are today. All you have to begin to ask yourself is, ‘What’s the economic impact? Well, which airports do you stop flying to?’ That’s where you start to measure what the economic impact is.”

In direct job losses, the number is far greater than 3,000 pilots.

“Depending on the aircraft, you’ve got 3,000 to 7,000 additional flight attendant jobs that aren’t going to exist, a few thousand mechanic jobs, dispatcher jobs, customer service jobs, operations support jobs. The magnitude of the jobs is a great multiple of the 3,000 pilots. Not to mention all the ancillary impacts you have from engine manufacturers. It is a true global issue for us on a national level,” Koscal imparts.

Shortages aren’t just impacting civil aviation; the military is also struggling with the issue. For example, the U.S. Air Force faced a

27% gap in staffed pilots versus authorizations (funded positions) in 2017, according to the U.S. Government Accountability Office.

But more on that economic impact. According to the RAA, in 2014, civil aviation generated \$1.6 trillion in economic activity and supported 10.6 million jobs. It also accounted for 5.1% of the U.S. gross domestic product.

Additionally, civil aircraft manufacturing was the top net exporter in the country in 2014, with a positive trade balance of almost \$60 billion, according to the RAA.

Back to the “if-then” logic: If there is a disastrous economic event on the horizon due to a looming pilot shortage in an industry that generates trillions in economic activity, then what is being done to fix the problem – and how did we get here in the first place?

That’s what Republic Airways is working to address right now in Indianapolis.

Man-made storm

“What caused the shortage? It’s a whole bunch of things,” Koscal states. “We had some pretty macro-economic events happen post-9/11 and post the Great Recession. That led to a lot of consolidation and short-sighted moves in the industry to address future pilot demand.”

Republic Airways emerged from Chapter 11 bankruptcy in April 2017, which, according to Koscal, was caused solely because it had to reduce the number of flights.

“We had to go into bankruptcy for one reason and one reason only: We didn’t have enough pilots to fly the aircraft that we had on order,” he asserts.

Global growth is increasing the pilot demand. At the same time, U.S. flight schools are training state-sponsored students from other countries who return home, driving up the demand and cost of training.

Compounding those factors is a 2013 policy from the Federal Aviation Administration (FAA): the First Officer Qualifications, also known as the “1,500 hours rule.” The rule was a response to a 2009 airplane crash in New York that killed 50 people.

Traditionally, first officers (or co-pilots) were not required to have the Airline Transport Pilot (ATP) certificate. They gained the necessary training hours through experience as a first officer.

The rule change required 1,500 hours of flight time before a pilot can start his or her commercial career.

Via email, RAA President Faye Malarkey Black explains why the policy is detrimental to new pilots.

“The experience available to an aspiring pilot before entering the airline environment is very different from the seasoning a first officer received historically when the hours requirement for an ATP was set,” she wrote.

“Today, pilots have very few options to gain these hours in the commercial environment, so they build hours any way they can – often at their own cost. They might rent an airplane and fly the same pattern hundreds of times until the requisite hours for hire are achieved. Alternately, some pilots flight instruct or spray crops or tow banners at lower salaries than those available at regional airlines.”

Those unstructured flight experiences are not similar to what is required of a commercial airline pilot. Koscal asserts the rule produces pilots that are not optimally trained. It “creates a broken pathway for a commercially-trained pilot,” he says.

Cost is the other factor at play. Earning additional flight hours has increased the price of becoming a pilot to about \$200,000, according to the RAA. Federal caps on student loans often prohibit the ability to finance the training.

Alternate pathways were created to help bridge the gap; for example, qualifying degree programs and military service count toward the 1,500 hours.

But simulator time doesn’t count, Koscal laments.

“That’s the best training environment for us to train commercial pilots in. We want to train pilots in those additional training hours in scenario-based flying conditions that they’re prepared for if they do exist, such as an engine going out,” he states.

Regional nosedive

Black and Koscal agree that having well-trained pilots is priority No. 1.

“RAA would like to see the FAA approve a much larger universe of structured training pathways and have proposed a comprehensive structured training program that airlines themselves would offer and would bring pilots onto the payroll for this training,” Black notes.

“The data shows clearly that these pathways don’t just put more pilots in the pipeline; they put more of the right pilots, with the right training and experience, into the pipeline. The FAA would only approve these pathways if they enhanced safety – the law itself requires that.”

Another contributor to the shortage is generational. Over the next 10 years, there will be 40,000 pilots reaching the mandatory retirement age of 65. That age was increased from 60 to 65 in 2009. Further adjustment of the retirement age won’t make much difference, Koscal states.

“We can mess with 65 to 67 (years old), but we’re not addressing the real issue. We need to address decisions and solutions to get people into the career path,” he shares.

Black doesn’t pull punches on the impact of the pilot shortage on regional airports.

“This is nothing less than a public policy emergency. In a state like Indiana, where regionals play such a key role in bringing air transportation, the economic damage will be steep long before the shortage peaks. If we don’t take action to make this career path more accessible to aspiring pilot candidates, the connectivity of communities served exclusively or predominantly by regional airlines will suffer irreversible damage within five years,” she wrote.

“The vast majority of these markets cannot support air service by larger airlines. Once gone, this air service is not likely to come back.”

Congress could step in and make more resources available,



The Republic Airways training center in Plainfield is a facility for pilots and flight crews to train on simulators, which can provide the best training scenarios, according to Republic Airways Senior Vice President Matt Koscal.

contingent upon pilots staying in the U.S., Koscal offers.

“This is a high-needs job that has a national impact on aviation safety. You want a safe environment. You want to have the best people coming into the system, not just the people that can afford it,” he maintains.

View from above

What are others doing around the country? Black points to pay and lifestyle enhancements, tuition reimbursement, scholarships or creating flight academies with partner airlines. But, a “truly holistic solution,” she says, requires sound policy.

“The airline industry will demand thousands and thousands of pilots per year, every year, for the foreseeable future. To meet this need, we must complement these innovative programs with sound policy and work together to emphasize the high-quality structured training that produces the most proficient pilots.”

Republic Airways is working to remove many of the barriers to the career path by launching LIFT Academy in Indianapolis.

The academy, about three years in the making, is a public-private partnership between Republic Airways, Vincennes University (VU), the Indianapolis Airport Authority, the state of Indiana and the city of Indianapolis.

Representatives from those entities, including Gov. Eric Holcomb and Indianapolis Mayor Joe Hogsett, were on hand for the announcement of LIFT Academy in late May.

“The obstacles to get into the profession are the extremely high cost, the high commitment of time, lack of financing, the unaffordability of the profession,” Bryan Bedford, president and CEO of Republic Airways, said during the press conference.

LIFT Academy is aimed at curbing those obstacles and opening the door to more pilots. Vincennes’ flight students can complete their training with LIFT Academy

and become part of the Republic career pathway program, while LIFT Academy students have the option to pursue an online associate’s degree through VU.

Academy tuition is about \$65,000. Once it’s at full capacity, it will train about 350 students per year. Sponsorships and loan programs from Republic will also help students with affordability.

Recruitment for the academy is ongoing and Republic Airways representatives reported they received about 150 inquiries by 5 p.m. on the day LIFT Academy was announced.

Republic Airways is promising the addition of 600 jobs by 2028.

During the press conference, Hogsett asserted, “This state-of-the-art leadership and flight training academy is exciting news for the city and for the state, as it will not only create more jobs for our residents to earn a living, but it will continue in our efforts to attract the top talent from across the country to come to Indianapolis to train.”

Koscal notes that as slow and under the radar as the pilot shortage has been in Washington, D.C., the opposite reaction has taken place in Indiana.

“From day one, everybody was supportive and eager to say, ‘If the mission is to find a way to provide high-quality, low-cost training for Hoosiers that want to get into high-paying, high-skilled jobs, it’s a win-win,’” he confirms.

Come fly away

Existing and new pilots and flight crews are trained at the Republic Airways flight training center in Plainfield. Pilots and others learn in a cabin trainer that is designed to mimic airplane features and includes a cockpit, windows, oxygen masks, a galley, working cabin doors with an emergency escape slide and more.

Both the existing training facility and the new LIFT Academy create and sustain a talent pipeline for Republic Airways.

“It’s the training center, it’s LIFT, it’s other things we’re doing as an airline. We are leaders in our industry and space in regard to our investment in technology,” Koscal contends.

He gives the example of the company’s Crew Life mobile app, which was created locally by DeveloperTown and is a way for employees to connect with one another and the organization. The voluntary app is used by over 94% of the crews.

“The investments you see in technology are not only smart business decisions; I truly believe we’re going to be successful as an employer of choice in Indiana.”



Republic Airways is launching the LIFT Academy as a way for flight students to earn a degree and training, and to help address the airline industry pilot shortage. The academy will be located on Indianapolis International Airport property until a future permanent location is constructed. Governor Eric Holcomb, Indianapolis Mayor Joe Hogsett and others joined in the press conference announcement in late May.

