

**STATEMENT OF  
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AIR LINE PILOTS ASSOCIATION, INTERNATIONAL**

**COMMITTEE ON AGRICULTURE  
U.S. HOUSE OF REPRESENTATIVES**

**WASHINGTON, D.C.  
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Good morning, Mr. Chairman and members of the Committee. As President of the Air Line Pilots Association, the largest airline pilot union in the world, I am proud to testify today on behalf of the 55,000 ALPA members who fly for 40 airlines in the U.S. and Canada.

ALPA pilots, working with other airline industry workers, safely deliver passengers and cargo around our country—and around the world—every hour of every day. We help keep the world's economy running.

In fact, the aviation industry alone generates \$690 billion for America's bottom line, and pilots play a pivotal

role in our economic engine. That said, our community is once again in an economic crisis that rivals the events following 9/11.

Many airlines are in no position to handle excessive jet fuel expenses that now cost them more than anything else, exceeding labor and taxes by a wide margin. As a result of this burden, eight airlines have ceased operations this year alone—and two others have filed for Chapter 11—leaving approximately 29,000 airline industry workers, including thousands of ALPA members, out of work.

This hits pilots especially hard because they have already taken several economic blows to help save the airlines from the brink of extinction following 9/11. In the last seven years, pilots have sacrificed pay, work rules, benefits, and even pensions to keep their airlines flying.

Many of our members are still working under those concessions, flying longer days for less money. They did this with the hope that they would soon see their lost wages and pensions returned.

With the rising costs of fuel, however, pilots are now more concerned than ever that their chosen profession is *not* one that will provide them with the compensation and retirement benefits they need to provide for their families.

Analysts forecast that airlines will lose as much as \$10 billion in 2008. Continental, Delta, United, and Northwest have already announced cuts in capacity and reductions in their workforce. Meanwhile, several other airlines are teetering on the edge of disaster.

Nearly 30 small cities across the nation have already lost scheduled airline service, and numerous larger cities are experiencing cutbacks in airline capacity as well.

Unlike other industries, which may have a choice of what type of energy powers its operations, the airliners we fly have just one energy option—petroleum-based jet fuel. Although the FAA and the aviation industry are working on an alternative to jet fuel, it may be many years before a viable, renewable alternative meets the exacting specifications required to operate our airplanes safely.

We believe that rampant speculation in the oil commodities market is a serious situation that negatively impacts the price of aviation fuel. ALPA, as part of a broad coalition of consumer, labor, and business organizations, has

urged Congress for immediate reforms in the widely speculative energy commodity futures markets.

We fully support Rep. Bart Stupak's PUMP Act, which would apply a much needed brake on the surging oil prices that are crippling the economy today, by giving the Commodity Futures Trading Commission (CFTC) the jurisdiction it needs to close a host of loopholes. We would encourage any legislation that brings rationality to the oil markets, however.

The CFTC needs a nightstick if it hopes to police speculators' trades in U.S. energy commodity markets. Unregulated swaps trades and the so-called "Enron loophole," among other weaknesses in the system, encourage speculators to trade U.S. energy supplies up to 20 times for each barrel of oil consumed.

But with strong provisions that will bring over-the-counter energy commodities within CFTC's oversight, speculators will at long last be held accountable for their swaps.

We need and deserve a level playing field. Even as we meet today, the U.S. airline industry is losing ground in the global marketplace, sliding down slippery slopes of oil priced in the weak U.S. dollar. Our European counterparts are quickly gaining a competitive edge that cuts deeper than just gaining additional market share.

The U.S. pilots who stand to lose their jobs due to their airlines going out of business are taking their skills abroad, working for airlines that can offer better pay and a better life. Many other experienced pilots are simply leaving the industry for good.

Simply put, in order for our industry to survive and continue to provide the world's safest transportation system, we must address this problem now. It's time to rein in rampant oil speculation. It's time to give our airline industry a fighting chance. Your leadership on this issue is urgently needed.

A long-term, rational energy policy, including increased domestic supply and energy independence, is our ultimate goal, but bipartisan, near-term solutions to the market frenzy are critical now. We urge Congress to pass legislation before the August recess that will help rein in rampant speculation in the oil commodities market and provide greater stability for our airlines. Thank you.