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Air Transport Association of Canada

to the

HOUSE OF COMMONS' STANDING COMMITTEE ON TRANSPORT,
INFRASTRUCTURE AND COMMUNITIES

ATAC Comments Motion M-177

“Instruction to the Standing Committee on Transport, Infrastructure and Communities
(Canadian flight training schools)”

December 4, 2018

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Overview

ATAC welcomes this opportunity to present recommendations to the House of Commons' Standing Committee on Transport, Infrastructure and Communities. The recommendations presented here fall into four broad categories:

- 1) Support student pilots
- 2) Support flight schools
- 3) Support research
- 4) Support outreach

This document also contains background information on topics such becoming a pilot, and the typical pilot career path.

About ATAC

Founded in 1934, the Air Transport Association of Canada (ATAC) serves as Canada's national trade association for commercial aviation and flight training industries, as well as aviation industry suppliers. Our membership is comprised of about 200 companies engaged in commercial aviation all across the country, including 50 flight training schools that together deliver approximately 80% of all commercial pilot licenses issued in Canada.

Representing ATAC on flight training and labour market issues, including the current pilot shortage, is Darren Buss. Darren has an airline transport pilot license and 13 years experience as a professional pilot. He holds the title of Vice President at ATAC, and also sits on the board of directors at the Canadian Council for Aviation and Aerospace (CCAA). Since graduating from the Aviation and Flight Technology program at Seneca College in 2005 he has flown for air operators in Alberta, Manitoba, Saskatchewan, and Ontario, steadily gaining responsibilities as a pilot, training pilot, and manager. Darren holds a Bachelor of Science degree in Mathematical Science (specializing in Computer Science) from McMaster University, where he also studied Materials Engineering, and previously worked as a software developer.

Recommendations

1. Implement Government Backed Student Loans for Flight Training **[Support Students]**

Lack of financing is the most often cited reason why people discontinue flight training or choose not to pursue it at all. Making financing available would bring more people into aviation, and also give policy-makers a tool to incentivize people into jobs where they are most needed, such as flight instruction and medevac. A similar incentive program already exists for medical personnel working in remote areas.

ATAC is consulting with commercial banks to create a student loan product for pilots. It is clear that banks are not willing to do this unless the loans are backed by government. Fortunately, a relatively small investment by government would result in a nation-wide student loan program for pilots that could then be used to incentivise pilots into jobs where they are desperately needed. ATAC

estimates that less than \$5 million per year, over a 10-year program, would be sufficient to do this. This is based on the following:

- 600 commercial pilots trained annually (domestic only)
- Worst case, all those pilots borrow the full cost of training (\$75,000)
- 600 pilots/year x \$75,000/pilot = \$45 million/year borrowed from bank
- Modelled loan default rate is 10%, therefore approximately \$4.5 million/year goes to default

2. Approve the Proposal to extend SWILP to Pilot Training [Support Students]

Student Work Integrated Learning (SWILP) is an excellent skill development program that has helped thousands of students acquire work-related skills. A proposal has been made to extend the applicability of this program to include pilots wishing to become flight instructors or floatplane pilots. This would increase the number of available flight instructors and therefore Canada's capacity to train more pilots. This proposal has received wide praise from both industry and government, but it has not yet been implemented.

3. Help Flight Schools Invest in New Technology and Infrastructure [Support Flight Schools]

The typical Canadian flight school operates aircraft that are older than the pilots who fly them. Newer aircraft are often quieter and more fuel-efficient than older aircraft. They are also more similar to the modern transport aircraft that student pilots will be expected to operate when they join the workforce, which makes them more effective trainers. Simulators are another game-changing technology that is in short supply at most flight schools due to the fact their cost is similar to a new aircraft.

New single-engine training aircraft typically cost around \$400,000 USD. Multi-engine trainers typically start around \$700,000 USD. Certified flight training devices (FTDs), commonly called simulators, start at about \$300,000 USD for a single-engine aircraft and go up to several million for larger aircraft. Ideally, flight schools operate 7 single-engine aircraft for every multi-engine aircraft, and as many simulators as they can afford and have the space for. These are huge capital expenses for small businesses that operate on very tight margins.

A government program of matching spending on eligible purchases including aircraft, simulators, and facilities expansion (for simulators) would almost immediately increase capacity to train new pilots by enabling flight schools to make these critical investments. Giving preference to aircraft manufactured in Canada would also stimulate aerospace manufacturing in Canada. For example, the government program could offer \$1 for every \$1 spent by a flight school on aircraft and simulators built outside of Canada, and \$1.20 for every \$1 spent on products manufactured in Canada.

As a rule of thumb, every aircraft added to a flight school's fleet allows that school to train an additional 7 pilots per year.

4. Establish Approved Training Organizations (ATO) [Support Students & Flight Schools]

The Canadian Aviation Regulations (CARs) are the regulatory foundation for all aviation activities in Canada. They have remained largely unchanged since they were introduced in 1996. Since then, many things have changed, including advancements in simulator technology and a shift towards evidence and competency-based training techniques. The wording of the CARs, rooted in the

thinking of the early 1990's, effectively prevents these advances from being used in ab-initio flight training only because they were not envisioned CARs were written. The CARAC process for changing the CARs is slow and difficult, but there is another way.

Aviation Training Organizations (ATO) is a framework used in other jurisdictions around the world that allows flight schools to demonstrate compliance with the desired result of the regulations using a different means of achieving it. For example, if the regulations state that an applicant for a private pilot license shall have completed a minimum of 45 hours of flight training, including a maximum of 5 hours in an approved simulator, an ATO might demonstrate that completing 20 of the 45 hours in an approved simulator produces pilots that are at least as competent. Using this approved syllabus, the ATO can conduct training that produces better pilots, less noise and less pollution, often at lower cost. ATO trained pilots must meet the same standards and pass the same assessments as their non-ATO counterparts. ATO may also open the door to using evidence and competency-based techniques in ab-initio training, which would further improve efficiency.

ATAC has been working with Transport Canada on an ATO framework for several years. Every year we hear that it is close to being ready. ATAC believes it would be in the best interest of the general public as well as pilots and the aviation industry for a carefully designed ATO framework to be approved as soon as possible.

5. Support Research Activities **[Support Research]**

Good data drives good decisions. Rigorous study of what prevents people, particularly those from underrepresented groups such as women and indigenous people, from choosing careers in aviation would be helpful in making decisions on the best way to allocate funding.

ATAC recommends that the government allocate resources, either internally or through an organization such as the Canadian Council for Aviation and Aerospace (CCAA), to complete such a study.

6. Support Outreach Activities **[Support Outreach]**

Any long-term solution to the current labour market shortage must include outreach to people not currently involved in the aviation industry. This includes youth, workers from other industries displaced by layoffs or wishing to change career, and people outside of Canada who may wish to immigrate.

ATAC recommends that the government make funding available to associations, such as ATAC, who are in a position to organize outreach events across Canada and internationally.

Aviation Labour Shortage

Canada faces a critical shortage of pilots and demand is expected to grow for the foreseeable future. Industry must increase annual domestic flight training output approximately 50% to meet the expected demand by 2025. Traditional recruiting methods are not sufficient; we must attract and retain a broader section of eligible workers. Only 7% of pilots are female. Fewer are aboriginal. Lack of access to financing for initial training costs is a major barrier for many.

Professional pilot training typically costs about \$75,000. Little or no financing (government or otherwise) is available to cover this cost. Access to financing would bring more people into aviation, and enable incentive programs for high demand jobs.

Becoming a Pilot

One of several paths to becoming a professional aeroplane pilot in Canada is by enrolling in an integrated Commercial Pilot License – Aeroplane/Instrument Rating (CPL(A)/IR) integrated course at a Transport Canada certified flight school. These courses last between 9 and 36 months, with the typical duration being 18 months. They must include at least 400 hours of ground school instruction, and 190 hours of flight time, all of which must also meet a number of sub requirements. Students in an integrated program must successfully complete the knowledge requirements and pass flight tests for the Private Pilot License (PPL), Commercial Pilot License (CPL), multi-engine class rating, and the Group 1 Instrument Rating. Upon completion the student will be qualified to operate single pilot multi-engine aeroplanes in commercial air services, however, with no work experience job prospects are limited. Cost for this training varies, but \$75,000 is representative.

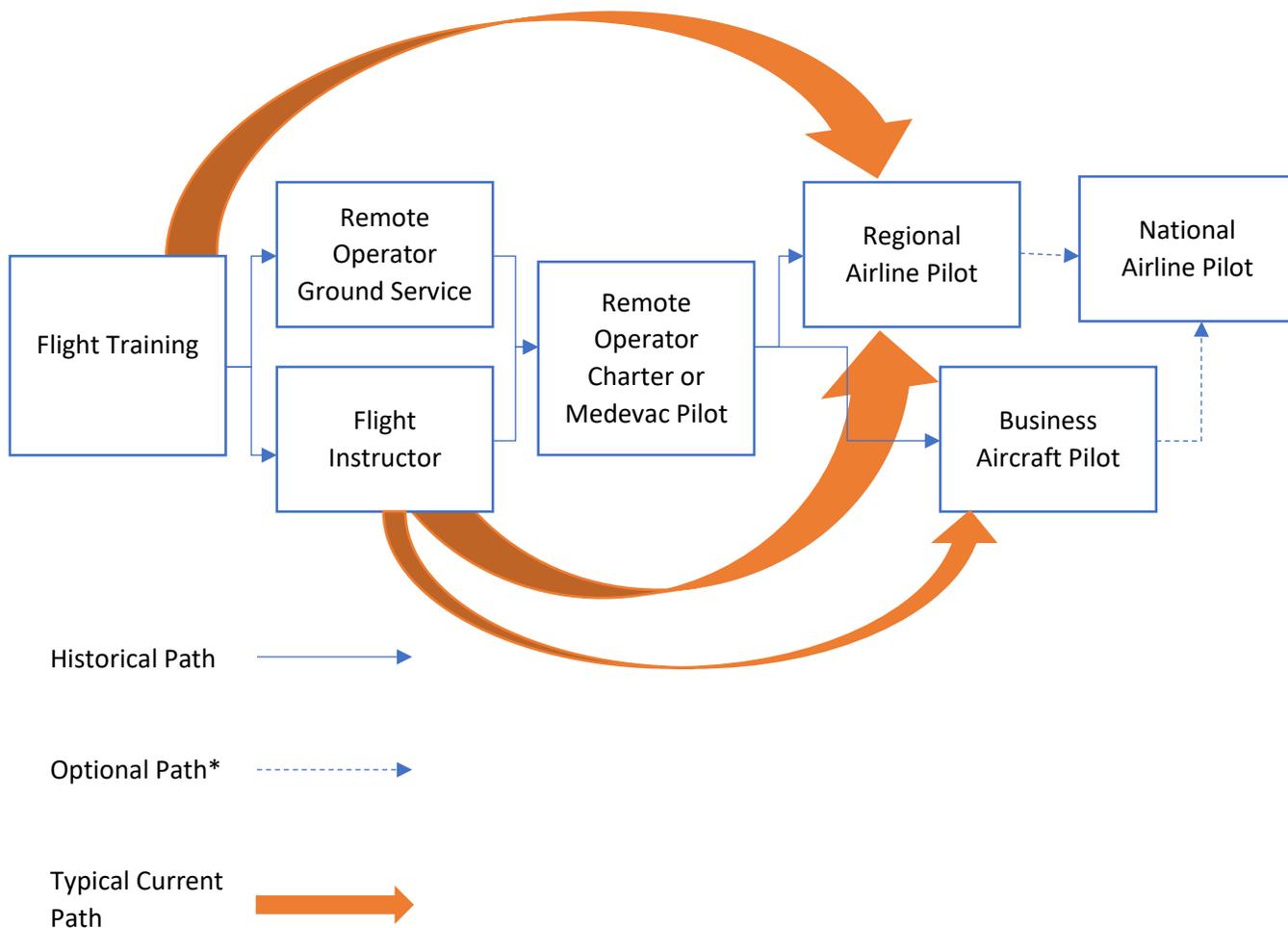
The most common way for new commercial pilots to gain experience is to become flight instructors. To become a flight instructor, the new commercial pilot must complete an additional 30 hours of flight time and 25 hours of ground instruction. This additional training typically costs about \$10,000.

The highest license a pilot can obtain is the Airline Transport Pilot License (ATPL), which has historically been required to obtain employment at a regional or national airline. The requirements of the ATPL are typically met in the course of working as a pilot in the early part of one's career. These include passing two written exams, and completing 1500 hours of flight time. With an ATPL in hand, a pilot's career is limited only by his or her ability and aspirations.

The 'Typical' Pilot Career Path

New commercial airplane pilots today have three choices when it comes to getting their first job:

1. Become a flight instructor
2. Work for an air operator in a remote area. In the current labour market these operators are desperate for pilots, however, many have insurance or contractual requirements that prevent them from hiring pilots with less than a minimum number of hours (often 500 hours). Some remote operators may also require a float rating at a cost of about \$10,000.
3. Direct-entry first officer with a regional airline. Some regional airlines now have partnerships with select flight schools where a fixed number of the top graduating students are offered direct-entry flying positions with that airline. This is a recent change made necessary by the current labour shortage.



* It must be acknowledged that all steps along this path are technically optional. Some people choose to become career flight instructors, or to spend their career in remote communities as a charter pilot. Other people start with the goal of becoming national airline pilots but choose to stay at regional carrier for lifestyle or other reasons. This graphic attempts to represent the most common, some would say stereotypical, choices