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TRAVEL IS BOUNCING BACK STRONG, AND AIRLINES ARE RACING TO KEEP UP

Stormy weather and staffing shortages have caused snarls for summer trips; 'There's going to be challenges'

By Alison Sider
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Passengers have flocked back to airports more quickly than airlines anticipated, triggering headaches like delayed and canceled flights and highlighting the complexity of resurrecting the industry after more than a year of near-hibernation.

Bad weather has caused some of the problems, but union officials and industry observers also cite staff shortages after too many pilots, mechanics and other workers were let go to cut costs during the pandemic. Some of these staffing challenges are likely just near-term, while others, such as a shortage of pilots that existed before the pandemic, threaten to pose challenges in coming years.

Southwest Airlines Co. and American Airlines Group Inc., two of the hardest-hit by cancellations and delays last month, took steps to stabilize their operations ahead of the busy July 4 weekend. Southwest offered flight attendants and ground staff double pay to work extra shifts over the holiday period. American trimmed back schedules to build in room for recovery from potential hiccups.

The efforts appear to have helped. Thunderstorms roiled flight schedules last week, prompting hundreds of cancellations and thousands of delays. But weather improved over the weekend and airline operations were smoother, airline officials said.

Carriers faces another test this week as Tropical Storm Elsa reaches the south Florida airports that have been among the most popular travel destinations this summer. Airlines canceled hundreds of flights Tuesday and Wednesday.

American and Southwest have been among the fastest to add flights back to capture summer demand. American is currently the world's largest airline, flying more seats than any other carrier, according to aviation data firm OAG.

Unions have argued both airlines took on too much flying and didn't have enough pilots trained and ready for all the flights they had scheduled. Bad weather can exacerbate a staffing situation that some aviation labor unions say was already tenuous.

"There's going to be challenges. There's very little margin," said Casey Murray, president of the union that represents Southwest's pilots. As more pilots finish training, the situation has started to improve, he said. "Elsa is going to throw a wrench in it, but I think we are at least on an uphill swing."

Both airlines say they have an adequate number of pilots and accounted for training needs in their summer plans, but a run of unusually bad weather created temporary issues.

Thunderstorms are hard to track and predict, and volatile weather can abruptly shut down traffic at an airport for hours at a time.

"We were prepared for an increase in travel demand for the summer; however, irregular operations can disrupt even the best-laid plans," Alan Kasher, Southwest's executive vice president of daily operations, wrote in a message to customers Friday.

Despite storms on July 1 and 2, American exceeded goals for on-time arrivals and flight cancellations over much of the rest of the weekend, even as it carried nearly three times as many customers as during last year's holiday, Chief Operating Officer David Seymour told employees in a memo Tuesday. And as of the end of June, the airline has finished training for pilots who were furloughed for a few months last year.

The performance, he wrote, shows that American is ready to handle rising demand.

Airlines got \$54 billion in federal aid in hopes of easing some of the stress of restarting operations. The funds were intended to keep airline employees on the job, and for the most part, they did. But airlines were also facing a cash crunch, losing millions of dollars a day. It wasn't initially clear whether Congress would provide additional funding after the first round of airline aid expired last fall. Anticipating that demand could remain depressed for years, carriers urged employees to take unpaid time off or retire early. Thousands did.

By the end of April, the industry outlook had shifted. Airlines began bringing back pilots and flight attendants and announcing plans to resume hiring.

Vik Krishnan, an aviation consultant at McKinsey & Co., said airlines had to make choices about summer staffing before they knew how quickly demand would come back. "Many of those decisions were made at a time when we as a country were much less optimistic about the recovery of air travel," he said.

Working through a backlog of training for pilots has been one challenge across the industry, with limited simulator space and flight instructor time available. Airlines have been calling pilots back, but they need refresher courses. Others have to learn new aircraft types after carriers retired swaths of their fleets.

"It's really a steep return," said Kit Darby, who consults on pilot hiring and training. "They probably got rid of too many pilots, and they may have parked too many airplanes."

United Airlines Holdings Inc. has said it avoided some of these problems. The airline is flying a restrained schedule with fewer flights than rivals. It also struck a deal to keep all its pilots flying last year after they agreed to accept cuts in work hours, and therefore pay.

"The agreement means we have the deep reservoir of pilot talent at United that we can tap to fly our schedule," Chief Operating Officer Jon Roitman told employees in a memo in June.

It's still unclear whether travel demand will maintain its rapid pace this fall, but airlines have turned their attention to filling jobs they will need beyond summer. Southwest is raising its minimum pay rate for hourly workers to \$15 an hour in order to attract candidates.

While the logjam of pilot training this summer is likely a short-term phenomenon, some analysts and airline executives fear that shortages that seemed imminent before the pandemic could reemerge. Consultancy Oliver Wyman has predicted that a global shortfall of pilots could arrive as soon as the end of this year if the recovery is strong enough.

Major carriers including American, United and Delta Air Lines Inc. have all said they are starting to hire pilots or will soon as they look to replace those who are retiring and anticipate growth.

For now, pilots aren't the only constraint. Staffing at Delta's customer-service call centers fell by 50 percent as workers took buyouts or retired early last year, the airline said. Now, call volumes are nearly back to 2019 levels, leading to hourslong waits. Delta is bringing back 200 former workers on a short-term basis by the end of this month in addition to hiring 1,300 new reservation agents by fall.

Hiring workers who load luggage, refuel planes and drive catering trucks has also been a drawn-out process. Airlines and other companies that operate in airports have said it is taking longer than usual for new and returning employees to get the credentials they need.

American's chief operating officer, in his memo, said the airline has been hiring, including 300 customer-operations employees at its Dallas-Fort Worth hub.

Tevita Uhatafe, who works at American loading bags at the hub and is a political coordinator with Transport Workers Union Local 513, said workers there have had a heavier load lately. Sometimes there is only enough staff to have one worker inside the belly of the plane maneuvering bags. Slowdowns there can lead to flight delays.

He said: "We don't have the manpower to get the operation running to where it can run ultimately without having a hiccup."