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AIRCRAFT OWNERS AND PILOTS ASSOCIATION
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WASHINGTON, D.C.

The Aircraft Owners and Pilots Association, born in 1939 in the infancy of the aviation industry, has become the voice of general aviation and a tremendous force for progress.

Your 265,000 members who own over 140,000 of the nation's aircraft are highly respected for their professionalism and for their acts of good citizenship. From transporting blood to reporting drug smugglers to treating more than 380 million acres of farmland so our bountiful national harvest continues annually, the general aviation pilot has a proud record of service to America.

Your Air Safety Foundation conducts free safety seminars for more than 12,000 airmen each year. More than a million pilots, worldwide, have directly participated in Foundation training programs and another two million have benefited from course manuals, training aids and audiovisuals.

And your impact on aviation is not limited to your own aircraft. You and your families are perhaps the largest single organized group of passengers who travel on air carriers, buying \$500 million worth of airline tickets each year. So you are vital to the aviation economy in more ways than one. As one of your senior officials put it in testimony before a congressional committee last spring: "We (AOPA) are consumers seeking only safety, economy and utility."

Those, too, are my priorities. I believe we share a common vision of aviation in America: one of continued growth and unparalleled safety. I have come here today to continue the discussion on the future of aviation,

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so that we might work together in charting the future of the airspace system and the industry it serves.

As Secretary of Transportation, my vision of American aviation extends from the sports enthusiasts in ultralights, experiencing the sheer exhilaration of flight; to the private pilots in general aviation; to the multi-billion dollar scheduled airline industry; and beyond to the unlimited potential of the commercialization of space. And indeed, the aviation marketplace is filled with a spirit of enterprise and of striving for excellence that will not be exhausted.

This spirit thrives in an environment of economic growth. Rampant inflation is a part of history. Oil prices are declining. The nation has completed 34 months of sustained economic growth. I represent an Administration strongly committed to less economic regulation and more freedom in the marketplace. I will continue to work to limit economic regulation and paperwork but I need your support and I need your continued commitment to safety.

Amidst all the change in American aviation, one thing remains constant: our commitment to maintaining the safest skies in the world. I've mentioned safety several times, so you know how important it is to me. Our national air system is first and foremost a safe system, and I will spare no effort to keep it that way.

While my commitment spans all forms of transportation, one of my first initiatives in the Department was to focus on aviation safety. The very successful "white glove" inspection by the Federal Aviation Administration last year told us that the vast majority of the nation's airlines are complying with federal safety regulations. We looked into every aspect of airline operations. And our inspection of 350 air carriers found -- overall -- very safe operations throughout the industry.

I then called for an intensive general aviation safety audit. Since July of 1984, FAA inspectors have been looking at pilot schools, flight instructors, pilot examiners, repair stations and Part 135 air taxis. Two of five phases of the general aviation safety audit have been released. The first segment showed a high level of compliance with the FAA's safety regulations by non-airline operators of large aircraft. These are the corporate executive fleets, contract cargo operators and travel clubs. Of the 281 inspections and nearly 3,000 findings, 87 percent were satisfactory. All of the deficiencies uncovered by the audit were corrected at the time of the audit or shortly after.

The second phase -- inspection of 29 older large jet aircraft -- operated by corporations in support of their businesses -- reinforced my conviction that general aviation flying is being conducted safely. That segment showed better than a 90 percent rate of compliance with safety standards.

Phase Three of the general aviation safety audits deals with repair facilities and certain mechanic and pilot schools, instructors and flight examiners. The study is complete and the interim report will be released soon. It shows a high level of compliance with FAA regulations and an eagerness to correct deficiencies.

Last month, a report by my Safety Review Task Force on the FAA's flight standards safety programs identified four areas where problems were found and improvements should be made. Don Engen regards the recommendations as "on the mark" and has already developed a schedule to implement the necessary reforms.

I created the Task Force in December, 1983, to examine the Department's safety programs across all modes. The FAA was the first report to be released and I plan to release the report on the Federal Railroad Administration soon.

Another "self examination" I initiated was "Project SAFE" (Safety Activity Functional Evaluation). The project is a comprehensive review of the agency's own safety inspection system including inspector tasks and work functions, and the overall management of the field inspector work force. This soon to be released report supports the need for additional inspectors. As you know, I increased the inspector workforce by 25 percent in early 1984 and I just announced that I plan to add an additional 500 air carrier and general aviation inspectors to the Department's work force over the next three years.

We must assure that the highest standards of excellence in safety apply whether you are piloting the largest jets, a single engine aircraft, flying in the company jet, traveling as a passenger in a nine-seat commuter craft, or anything in between. Nothing less than first-class safety performance will be the accepted standard. In carrying out this program, I know that all segments of the industry share my concern for safety and it is a pleasure to be able to deal with responsive groups such as AOPA on this issue. I am here today to applaud your efforts.

Also, we will need foresight and vision as we address future capacity needs in a period of aviation growth. And I expect this growth to continue in the years ahead.

The rapid expansion of the airline industry, the stimulus of deregulation, and the air traffic controller strike have provided a period of unprecedented challenge to the air traffic control system and to every one it serves.

As I travel around the country I meet with controllers and I appreciate their suggestions and views. They are very professional and I am indeed proud of their work. The essential task now is to ensure that the controller work force is maintained at a level that will be fully responsive to future challenges: the airline industry is flourishing in the freedom

afforded by deregulation, and passenger demand that is expanding on the strength of economic recovery. At the same time, we must recognize that the largest number of flights each day -- nearly 65 percent -- are general aviation. While you have not enjoyed the same level of growth in recent years, the long-term projections are for general aviation aircraft to increase from 210,000 today to 270,000 in 1995. That's a 28 percent increase.

In the new fiscal year, the air traffic control work force will be increased by about 40 a month -- almost 500. Another 480 controllers will be added the following year, bringing the force up to about 15,000.

At the same time, we are modernizing the Air Space System. The NAS Plan -- as you know -- is our long-range, \$11.7 billion program to modernize the nation's airways. Of particular importance to the general aviation community is the fact that it will increase the capacity of our airspace, while greatly improving the safety of flight operations. We estimate the NAS Plan will actually save almost \$20 billion by the year 2000 through reduced operating and maintenance costs, and it will save users an additional \$10 billion through lower costs and fewer delays. And certainly reduced costs and fewer delays are as important to you -- the general aviation users -- as they are to scheduled carriers.

While the NAS Plan and other efforts will help us accommodate the increased demand in the air traffic control system, we must also plan for the increase in demand for facilities created by anticipated growth in aviation. The National Plan of Integrated Airport Systems identifies projected national airport and heliport needs over the next 10 years.

Of the 3,600 airports listed in this national plan, 2,700 are general aviation. There is one school of thought that the federal government should have little if anything to do with small airports. I reject that approach. Small general aviation airports are essential to our system and they must not be left out in the cold.

However, the philosophy of federal involvement in documenting future airport needs should not extend to federal ownership of civil aviation airports. The two Washington airports are the only commercial airports operated on a day-to-day basis by the federal government. I sent legislation to Congress to initiate the transfer of the airports, thus fulfilling this Administration's commitment to turning over National and Dulles to those who have the greatest stake in the airports' future. After many attempts at transferring the airports over the past 37 years, we are finally on the verge of success. On September 11, the Senate Commerce Committee reported the transfer bill with a 12 to 4 vote. And we expect floor action shortly.

The bill recognizes the vital role of general aviation at airports serving the Nation's Capital. First, there will always be room for general aviation at both airports. Air carrier slots at National are frozen so that

pressure will not build to divert general aviation operations to other airports. Second, an AOPA amendment assures that general aviation landing fees will be established on the same basis as air carriers' fees so that general aviation charges cannot be increased to discourage general aviation flights.

We must be able to extend the benefits of aviation to more and more people. For general aviation pilots --especially for those of you who fly more as an avocation rather than as part of your livelihood -- flying today is expensive.

What makes flying for the private pilot so expensive? I don't have to go into too many factors for I am sure you are well aware as you look at your checkbook.

You've been experiencing increases in your costs that are greater than the rate of inflation. The cost of fuel used in most of your aircraft hasn't declined like the price of jet fuel or the gasoline used in your automobile.

The cost of product liability insurance has increased dramatically over the years. Large court settlements have driven those costs higher each year, and they contribute to the escalating costs of airplanes. These costs get passed on in your aircraft prices or in higher rental fees.

Partly in response to insurance costs, partly for safety reasons, and partly in response to the desires of people who fly, the airplanes bought and sold today have more avionics components than airplanes on the market even a decade ago. The technology involved in the development of modern avionics did not come cheaply, and the cost of avionics increases the cost of aircraft, even when it is money well-spent in terms of safety and enjoyment. These trends are well known to you.

Many things are being done by the Department, by AOPA and by others in the aviation community, to look for ways to make flying more affordable and more accessible. I am interested in AOPA's request that rules regarding recreational pilots be considered separately from those regarding private pilots. The FAA is actively considering this request and the comment period has been extended until October 24. All evidence will have to be weighed before a decision can be made, but let me assure you that our final decision will provide for the simplest possible certification process for recreational pilots, consistent with our mandate to ensure the safety of the nation's airways system for all of its users.

American aviation has a proud record of unparalleled ingenuity. Wilbur Wright's short flight at Kitty Hawk, North Carolina, at the turn of the century spanned only a few seconds and about 120 feet. But the Wright Brothers that morning ushered in an era of powered flight that fulfilled the dream of centuries. Nowhere is that dream better illustrated than by the people in this room.

I know that together we can bring that same ingenuity to bear on the continuing challenges ahead. I deeply believe the results of our efforts can be as wonderful and as dramatic for Americans in future years as the breakthroughs by the bold innovators of long ago have been for us.

If only the Wright Brothers were here with us today. They would be mighty proud.

Thank you very much.

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