

"Your Hands, Your Signature"

Professional Women Controllers' Convention

Washington, DC

Prepared Remarks for FAA Deputy Administrator Linda H. Daschle

April 14, 1994

Thank you for that warm introduction. It's a pleasure and an honor to be here today. This is an ambitious conference. I reviewed your agenda. I saw everything from a global perspective on aviation to maintaining personal balance. I'd say you're thorough, you think 'big picture,' you're not afraid to work hard and you love aviation. I'm not surprised that the P-W-C is so successful.

Aviation has always been a part of my adult life. My very first job was with the F-A-A as a weather observer while attending Kansas State University.

And now, some 18 years later, I am very proud to be with the agency again. Those who know me know me as a woman committed to aviation and its interests. I'll also admit--but it will probably get me into trouble--that there is nothing better than spending time with other "female" professionals in aviation. We have to enjoy each other--there are so few of us.

During the short time I've been with the agency, I've developed a tremendous respect for the F-A-A and all of its employees. Without exception, I've met one dedicated professional after another. Air traffic itself is a terrific example of excellence. The air traffic profession is complex and demanding. Flight service, towers, terminals and centers uniting for safety. It's quite a feat to have hundreds, thousands of lives in your hands all at once. Even the world's greatest surgeon takes on one patient at a time.

You have made a choice for excellence. Your hallmark must be the badge of professionalism, your thumbprint dedication and your footstep perseverance.

I know that you know, that in many ways, aviation is viewed as a man's world. But together, we can overcome the bias.

Let me share a personal experience with you. One that's amusing but telling. True story. A few weeks ago, somebody stopped a guard in the parking garage below the headquarters building. The person asked the guard: "Have you seen the deputy administrator today?" Without skipping a beat, the guard said, "I haven't seen the deputy administrator for a few months. But some woman keeps parking her car in his spot."

That is a funny story. There are plenty of others that aren't quite so humorous. The point is that despite the progress we've made in establishing ourselves as competent professionals, as equals in this world, there's more work to be done. And by work, I mean just that.

The issue for us, for each and every one of us, is competence. When you go above and beyond, when your ratings are enviable, when you're checked out and current, when your academic background translates into action, productivity and excellence...those are the times when no one labels you as "the female in the Level IV."

You are rising above. When the reports show that air traffic control is 99 point 999 percent safe, that's your report card. You have taken on a formidable task, and you have made the difficult seem commonplace.

When I look to the skies at Dulles and Washington National and O'Hare and L-A-X, I see your hands, your signature of excellence in command. Those are the hands of safety that bring 4 hundred 80 million passengers to and from with clock-like precision.

It's that very precision that makes the corporatization of air traffic control a viable possibility.

A federal air traffic corporation is not a new idea but an idea whose time has come. The N-P-R and the Airline Commission's reports were a challenge, an admonition. In its simplest form, these reports were a message from the system's users: airports, airlines and labor. And the message was not a bitter pill.

They told us that aviation is a valuable, coveted resource. They told us that America's forward progress means raising our standard a notch or two.

America wants us to stay abreast of the most rapidly changing era of technology in the history of the world. The solution: strip away the government bureaucracy. Make inadequate budgets, problematic procurement and cumbersome hiring practices a thing of the past.

The F-A-A's air traffic control system is being strangled by the red tape that drains the life from efficient business practice. On the equipment side of the house, we're buying hardware that won't be delivered until well after another piece of technology has passed it by. The lag time in procurement is abysmal, and corporatization is the answer.

Corporatization will show us what happens when government gets out of the way. The mandate for corporatization is here, and it's telling us that from here on out, we're to fly V-F-R. . .as in very few regulations.

There's a big question asked in the hallways every day back in headquarters: "Did you see today's Aviation Daily? The Hill is jumping all over corporatization." That is good news. When the Legislative Branch takes a keen interest in your product, that's very good news.

The Congress is well aware of the important linkages among the airline industry, aircraft manufacturing and the economy as a whole. Neither the administration, nor Congress, can afford to ignore these linkages or how this agency impacts the entire aviation industry.

The airline commission and the authors of the plan to re-invent government know that if the F-A-A imposes an undue regulatory burden on the airline or the manufacturing industries, that impact will ripple throughout the entire American economy. Along these lines, unnecessary delays for the airlines equates to lost revenue. . .lost revenue that is not available for investment elsewhere in the economy.

Given the impact of aviation on the global economy, given the impact of the F-A-A on aviation, these political influences are crucial to establishing policies that benefit everyone.

The F-A-A no longer can operate in a vacuum. On a world-wide scale, travel and tourism have become a trillion dollar business employing over 1 hundred 27 million people. The bottom line is that: Aviation produces 6 point 1 percent of the world's gross national product. The tax revenues alone exceed 3 hundred billion dollars.

Political influences are here to stay, and I'm here to tell you that those influences are absolutely necessary to the process.

The F-A-A must be concerned with the passengers in Rochester, Minnesota. The F-A-A must be concerned with the tourists visiting the Grand Canyon. The F-A-A must be concerned with the controllers who want better equipment. And, the F-A-A must be concerned with the President, the Senate and the Congress. They hold the purse strings that enable us to do what has become the working standard for the rest of the world to follow. When our legislators from Washington and the field talk to us, we need to listen.

We must listen if we are to meet today's challenges. What we face now in aviation is a staggering opportunity. We can use it to stagger and fall. Or we can use it as an opportunity to enhance the world's safest form of transportation and make it safer still.

There are some who would criticize us for embracing the concept of wholesale change in our air traffic system. They advocate change in bits and pieces. Perhaps that would have worked in a different time, but not today. Industry has spoken and so have the taxpayers. We do not have the luxury of taking a piecemeal approach anymore.

What's more, some nay-sayers attack corporatization and re-invention with the hue and cry of diversity. Their battle cry is: If you're for right-sizing, you're against diversity.

They have devised a cause-and-effect model that is patently without merit.

Diversity is not affirmative action. Diversity is not equal employment opportunity. Diversity is respect. Diversity is considering life in the shoes of another woman, man, black, white, red, yellow, Native-American, Norwegian, Polynesian, Korean or. . .you fill in the blank.

Right-sizing means doing things more efficiently. That's not a comment on the people of one group or any group.

What all this means is that we have fallen out of step with doing things efficiently. The private sector doesn't entertain this discussion at all. The private sector business is focused on the customer, or the private sector business is out-of-business.

The F-A-A is in the process of re-engineering how we operate. By that, I mean we're looking at all processes with a new eye, a fresh eye. The days of a 3-to-1 employee-to-supervisor ratio are over. We're moving from 5-to-1 to 15-to-1.

The idea is to empower employees. One way to do that is to reduce our management layers. The impact will be that more women and minorities will have the opportunity to excel. They will be even more prepared to compete successfully because they will have experienced personal leadership and empowerment on the job.

I'm an advocate of succession planning. We must insure that this agency reflects the make-up of the flying public in look and outlook. When the F-A-A lines up for its corporate photograph in the future, you'll see a rainbow.

Succession planning isn't something that happens in a headquarters' vacuum. Succession planning is a process in which you must take a vital role.

Share your expertise. Let management know about how you see the role of the air traffic controller. Tell them your thoughts on aviation. Give them input on the role of general aviation as it meshes with commercial traffic.

One of the best things you can do for yourself and this agency is to be informed. This audience is filled with air traffic control professionals. What we need is an audience of aviation professionals.

Learn more about what's going on in the air space. Taken an active role in being up on things. I mentioned Aviation Daily a moment ago. But how many of you read Aviation Week & Space Technology? What about Congressional testimony? Do you look for the aviation news clips that are circulated out of Washington?

If you don't see or read these things, ask for them. If need be, chip in with a group of your colleagues and obtain a subscription to a trade journal.

The more informed you are, the better you perform. It's that simple. When you're in the know, you're more likely to know how to respond to inquiries from the boss, the public, the media.

I was asked to speak about balance. I'll be direct. A work day for me is 12 to 14 hours. I do what I enjoy doing. I get paid to do what I love, and that to me is the best job there is. Balance is a personal thing. To me, it's knowing your job, doing it well and having the satisfaction that you've given it your best.

I've thrown a lot at you today. These are exciting times. But some things don't change. When an audience has just finished lunch, there are three very important words in any speech. They are: and in closing.

And in closing, I leave you with a challenge. As an agency, we're undergoing tremendous change. Some of it will be easy, some of it painful, all of it necessary. The challenge: be positive and make it happen. Avoid the temptation to snipe, criticize and say, "This'll never work." Participate to the fullest. Our success depends on your professionalism.

You are the voices we need to hear. I envision a day when the Professional Women Controllers carry the same weight as the League of Women Voters. There's no question here that you've got the intelligence, the insight and the desire.

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Talking Points for FAA Deputy Administrator
Linda Daschle
Second Annual Workshop on Environmental Affairs
Deputy Regional Administrators, Technical Center and Aeronautical Center
Deputy Directors, and Regional Environmental Network Chairs
Courtyard Marriott, Crystal City
May 3-4, 1994

1. The environmental arena is changing.
 - Environment a major item on Clinton Administration agenda.
 - The FAA must play increasingly larger role.
 - You are key players and that's why you are here.
2. Scope of environmental analysis must be expanded.
 - Human and the environment are inextricably linked.
 - Environmental issues are more complicated. Not as simple as spotted owl vs. jobs, as some would have it, nor noise vs. commerce
 - Strategic thinking is required
3. No one agency can solve these issues by themselves. Issues cut across agencies.
 - Interagency cooperation needed
 - Interservice (air traffic, airports, flight standards, etc.) cooperation
 - Interdisciplinary (biology, economy, ecology, law, etc.) thinking
 - Public and community participation

In aviation, for example:

- Air emissions cause global climate change and global climate change may affect local environmental conditions and economic potential. Agencies and organizations potentially involved include FAA, ICAO, EPA, states, industry, environmental groups.

- International and national standards for noise affect local quality of life and certain land uses. Groups potentially involved include FAA (Expanded East Coast Plan, e.g.), state and local government, National Park Service, and environmental groups.
- International aviation traffic may accelerate the unintentional introduction of nonindigenous species into once isolated areas. This could result in damage to local economies and natural features that people travel to see. (Hawaii, Australia, e.g.) Agencies and organizations involved: FAA, Customs, Military Customs, U.S. Postal Service, Coast Guard, National Marine Fisheries, state agriculture departments, state natural resource agencies, state tourist boards, state commerce departments, USDA, DOI F&WS, National Biological Survey, National Park Service, State Department, environmental groups, industry.
- Equity considerations require the agency to consider the distribution of environmental impacts across various disadvantaged populations and may accelerate the drive to reduce the overall noise and waste pollution load for all communities. New Presidential Executive Order on subject (12898). Interested parties: FAA, civil rights offices, environmental and environmental justice organizations, states and towns, industry.

HOW DO THE PRESENT DOT AND FAA STRATEGIC PLANS ADDRESS THESE TYPES OF ISSUES?

4. DOT's Strategic Plan:

- *Enhance* the environment, not merely *maintain status quo*
FAA example:
--Wetlands restoration. Clean up Superfund site at Tech Center, e.g., and smaller wetland sites in Alaska.
- Prevent degradation
FAA examples:
--Improve interagency cooperation to prevent introduction of nonindigenous species, such as plants and pathogens, etc., many of them are brought in on aircraft
--Improve National Environmental Policy Act (NEPA) process to disclose potential environmental impacts and consider methods of mitigating impacts.

- Accountability
FAA Examples:
 - Improve public participation in airport planning; air traffic routing; airway facilities modification, such as radar installations, e.g.
 - Respond to emergency preparedness and community's right to know regulations concerning the use of hazardous materials. (Result of Bhopal accident and railroad hazardous materials accidents in South.
- Strategic thinking: It must focus on aviation's contribution to the quality of life over the long term.

6. FAA Mission: Environmental Responsibility

- Provide strong leadership in mitigating the adverse environmental impact of aviation.
 - Reduce noise impact
 - Reduce aircraft emissions
 - Create an environmentally effective and responsive FAA both domestically and internationally

WHAT CAN THE FAA AND YOU DO TO HELP ACHIEVE THESE GOALS:

- Use the best available scientific knowledge in defining problems and potential solutions
- Listen to people during the scoping process and respond to their diverse needs in making decisions
- Consider relative impacts on low income and minority populations
- Develop a good neighbor policy, such as Forest Service has adopted.
- Advocate a conservation ethic at the FAA
- Provide technical and financial assistance to encourage environmentally sensitive planning
- Encourage participation in community/watershed planning
- Provide training and education to FAA staff
- Maintain diversity in the workforce, reflecting community which we serve.
- Strive for international leadership
- Promote aviation in an environmentally sound manner
- Cooperate in interagency efforts to solve common environmental problems.

DRAFT

REMARKS FOR
FAA DEPUTY ADMINISTRATOR LINDA DASCHLE
U.S. SAVINGS BOND CAMPAIGN
FAA HEADQUARTERS
MAY 9, 1994

It's good to see so many employees here for the kickoff of the U.S. Savings Bond Campaign. I hope we can keep up this enthusiasm throughout the campaign.

Let me say this right up front. I believe participating in this campaign can be good for you as individuals. And it's definitely good for the country.

For a half century, the U.S. has been using Savings Bonds to reduce the borrowing costs for the Treasury and that means saving money for us as taxpayers. Savings Bonds--as War Bonds--literally helped America win World War II.

So, I want to talk briefly this morning about U.S. Savings Bonds as a smart savings device and as a help to the country.

If you will look around, you will see Savings Bonds are a good investment these days. But, I'll let Theron and his workers spell out those investment advantages for you.

I want to talk about savings on a more personal level. We all know how difficult it is to save money these days. Hard as we try to put something aside, there always seems to be a good reason why we can't.

That's one of the major advantages of buying U.S. Savings Bonds--especially through payroll deduction. It's a virtually painless way to save because you can adjust the amount deducted to suit your circumstances, even if it's only a few dollars a pay period. After awhile, you barely

notice the money is missing from your check. Meantime, your savings are accumulating. And, when that rainy day comes along and you need the cash, it'll be there for you.

I recommend this especially for those facing college costs down the road. The projected costs of college are staggering. So, start saving when your kids are young. Among the tax advantages is that the interest on savings bonds is completely tax-free when used to pay for college tuition.

Savings Bonds also are a great way to put money aside to help supplement retirement income. I know a lot of people nearing retirement wished they had done that early in their careers. Remember--the buyout is a one-time shot, so you can't count on an 11th hour bonus to help ease into retirement.

Now, let me talk for a moment about U.S. Savings Bonds from a broader perspective and look at Savings Bonds as the Treasury Department sees them--as a way to reduce borrowing costs.

If more money is appropriated or spent than the money the government collects, the Treasury sells what are called "debt instruments" to make up the difference. And U.S. Savings Bonds are a critical component of these debt instruments.

So, participating in the U.S. Savings Bonds program is a very good thing to do for the country. Today, some 30 million Americans in 23 million households now own at least one Savings Bond. Approximately, 14 million Americans buy Bonds annually. And by doing so, they are helping the U.S. enormously and helping themselves to boot.

So, what I am asking you all to do--is to give Savings Bonds a serious look. I think you'll like what you see.

To sweeten the pot a little bit and maybe spark some spirited competition between offices, at the end of the Bond drive, we'll award plaques to the offices who have participated the most. There will be 3 categories of competition - office with 1-25 persons; 26-100; and 101 persons and above.

So, let's have a good campaign. Now, let me turn things over to Theron. Thanks for coming.

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Draft Remarks
prepared for delivery by

FAA Deputy Administrator Linda H. Daschle
"Courting Perfection -- Beyond Mere Success"
Regional Airline Association
1994 Spring Convention - Presidents' Council Luncheon
The Reno Hilton
Reno, Nevada

May 11, 1994

Good afternoon. I am delighted to be here. The subject of aviation is more than an employment responsibility for me. As many of you know, I cut my professional teeth in this subject area. And it continues to be an important part of my professional, as well as personal, life.

I am also glad to be here with people like yourselves -- people who are intimately involved in, and are committed, to the continued success of aviation. Indeed, we share a great deal of common ground when it comes to this issue.

True enough, we bring to it -- at least at this point -- a different perspective. However, that does not mean necessarily that we have to be at loggerheads about anything.

In fact, the F-A-A under the Clinton Administration, is pledged to building and maintaining a credible working partnership with all facets of the aviation industry. But this is especially true in the case of short haul airline carriers.

The F-A-A recognizes the critical transportation role served by carriers with 30 seats or fewer. Both Administrator Hinson and I are acutely aware of the special concerns that you have in a number of key areas. I can assure you that we are on your side. And we intend to work as your allies on such matters as the corporatization of air traffic control, the maintenance of total F-A-A jurisdiction regarding air quality and other environmental requirements, insuring an appropriate focus of F-A-R 135 versus 121 rule-making, and other important technical and procedural matters.

Pure and simple. Our objective is to improve the national air transportation system.

In some quarters, that goal might be deemed as unnecessary. When the latest reports show that flying in an airplane is 99 point 999 percent safe, there are those who wonder of the efficacy and cost effectiveness of aiming for perfection. In fact, I have been told by some critics that the time worn New England adage -- "If it ain't broke, don't fix it" -- should apply.

Let me counter that with another age-old axiom. One that speaks to the heart of American business: "Don't ever get too satisfied. When you reach that point, you start to become stagnant."

I believe that everyone in this room understands the wisdom of that maxim. Individually and collectively, you are just too dynamic and too visionary to be happy resting on your laurels.

Aviation, in general, has made such incredible strides in its short history that the thought that the accomplishments of the American air transportation community preclude further innovations and greater success in the future is a heresy that lacks foundation. After all, we are not that far away from the time when even legendary scientists and business leaders laughed at the prospect of air-flight itself. Nor are we far distant from the latter day wonderkinds who argued that air travel was destined to be a luxury for the few, rather than the linchpin of a modern and efficient transportation system.

Your segment of the US air transport system, specifically, has had its share of detractors -- critics who argued that what you intended to do was not economically or technologically feasible.

Well, you do not hear very much from those people today. Not when you consider that your insistence and dedication succeeded in developing trunk lines that meet and cater to the legitimate travel demands of a large portion of the American population. And not when you consider also that our country's air travel industry is recognized as the premier model for others to emulate. In fact, it is, by any standard, an unqualified success.

In sheer size, it is the largest -- with more planes, more miles, more passengers, and more revenue than any other system from any other country. Just your segment alone provided service to nearly 53 million passengers in 1993 or more passengers than were provided service by the entire US air transport system when commercial jet airliners made their debut three and one-decade ago.

In terms of economic impact, alone, you are part of a trillion dollar operation. Some might say a small part, if anything in the **billion** category -- 10 point 6 **billion** revenue passenger miles in 1993 to be exact -- can ever be considered small. That is heady stuff indeed.

At this point, I feel compelled to suggest that you all ought to stand up and take a bow. But you know well what it took to get there. The innovation. The risk taking. The adaptability and flexibility. The shoot-for-success and sometimes end-in-failure-routine.

No one, just yet, is quite ready for kudos. On the contrary, there is much more work to be done. I believe we have a consensus on that.

The ultimate aim is still perfection. And the on-going obligation is for constant improvement.

For its part, the F-A-A has embraced that formula totally. To be sure, we have had some stops and starts. Yet, that is all part of the exercise. In spite of the setbacks, the F-A-A will continue as a principal player in the espoused determination to bridge the gap from red tape to results.

With your support, the F-A-A will help create a regional air transport system that really works better, costs less, and attains perfection when it comes to safety.

The air travelling public both demands it and deserves it.

The F-A-A has adopted a mind set that is dedicated relieving you of regulatory overkill whenever possible. We are not here to shackle your efforts for growth. We are not here to hamper your efforts for improvement.

We are here to insure that the decisions made regarding the future of air transport in this country are commensurate with the needs of the public you serve. And we believe that the single most important cornerstone of the kind of efficiency, technological superiority and financial strength expected of the entire aviation industry depends on developing and putting in place a federal corporation responsible for our country's air traffic control system.

I have applauded you already for utilizing those special adjuncts of American business success -- innovation, adaptability, and flexibility. It is foolhardy to assume that the timely refinement of our air traffic control operations can be achieved without ready and easy access to similar tools.

Unfortunately, under the present scheme of things, innovation is belabored by archaic procurement procedures. Adaptability is smothered by paperwork requirements. Flexibility is repressed by the dictums of archaic decision-making processes.

These shortcomings represent an invidious form of harassment. One that is generated and given tacit support by an outmoded system.

I wish to be very clear on this point. The problem is not the people component of the F-A-A. The efforts of the entire professional and clerical staff of the F-A-A are beyond reproach.

Nonetheless, the men and women of the F-A-A feel the frustration often of trying to respond to tomorrow's challenges with the tools of yesterday.

I am here to say that antiquity has its place. And that place is the Smithsonian Institute. Right there in the Air and Space museum next to the technology that helped us get to this stage -- technology that was the springboard, and is no longer sufficient to take us that extra step needed to compete in the global marketplace.

So for goodness sake, let's not get rid of the heart and soul of the F-A-A. Let's not reshuffle the people.

Instead, we need to adopt a whole new approach. We need an approach that utilizes fully the considerable background and talent of existing F-A-A personnel and others.

We need an independent federal corporation to operate the air traffic control system -- a system that has a workable component that can procure and deploy quickly evolving technologies. We need to put in place a system that can develop and implement real time budget schemes to insure that the dynamics of global competition do not overpower our ability to meet always the standards of excellence that are the hallmark of American aviation.

This is not far-fetched thinking. This is prudent application of what we have learned in recent years. Nor is it some pet little project a few appointees either in this or in previous administrations. It is a realistic recommendation made by both the National Commission to Ensure a Strong Competitive Airline Industry and the National Performance Review Team.

I can assure you that F-A-A Administrator Hinson and I support this bold undertaking. And we view it as the single most important step toward addressing the types of technical and procedural improvements you seek. If we -- and that means the F-A-A, you, and the rest of the air transport community -- are going to put delays, saturation, air flow, and first tier ground hold problems behind us, then we need a system that will work not just in the 1990's, but into the 21 Century as well.

Sadly, there are still some critics of a corporatized air traffic control system. They are vocal with their suspicions that such a system by any other name will still be business-as-usual. Still others claim that such a new system is destined for failure on the grounds that it could never meet the disparate demands of the entire US air transport system.

Let me respond to those assumptions, first by saying that one of the allegations is at least partially true. We would be breaking no new ground by establishing an independent air traffic control system. There are already numerous quasi-government agencies in existence.

One such operation, the Federal National Mortgage Association (Fannie Mae) recently announced 510 million dollars in earnings for the first quarter. Furthermore, Fannie Mae reported that capital for the congressionally chartered company climbed to 9 point 3 billion dollars. That represents more than a billion dollar increase over the previous year's performance.

While none of us envision a profit-making, publicly- traded, air traffic control corporation, such figures hardly bespeak or support the notion that quasi-government entities have difficulty surviving.

The potential for real, substantive, and positive change through an air traffic control system that is corporately structured is enormous. Responsive budget mechanisms, a board-driven decision-making process, multi-year strategic plans, and competition reviews are just a few of features that would be part and parcel of the corporatized approach.

Each of you in this audience is privy to the advantages such a scheme would have over the normal pace of government bureaucracy. All we have to do is convince the naysayers.

That will not be easy. But I believe we can start by making the case for the notion that Washington, in the words of the National Performance Review, "...is filled with organizations designed for an environment that no longer exists."

Those hierarchial organizations -- and the current air traffic control system falls under that rubric -- were modeled after the corporate structures that were in existence 25 to 50 years ago. Such structures were designed to compete in a rigid, slow-moving economic environment. It was an environment with well-defined rules and well-recognized, leading players.

But those days are gone. The private business holy grail of success, buoyed by the entrepreneurial spirit, has taken hold throughout the world. The notion that "the times are a changing" is no longer a protest anthem. It is an apt commentary on the technological and business landscape of both today and tomorrow.

What is most important is the fact that American companies have recognized the opportunities presented by such changes. Moreover, in many instances, they have responded appropriately. As a result, America is better positioned than at any time during the past 20 years to meet the demands of global competition.

In a very real sense, American business, in recent years, has been courting perfection in order to reassert itself on the world stage. The entire air transportation industry in this country needs -- and is attempting -- to follow suit.

From where I sit, it makes absolute sense for the federal government -- especially in terms of its air traffic control needs -- to pursue with vigor a new course. One that strives for perfection. One that believes that improvements and success are merely stepping stones to better standard of excellence.

I invite you today to enlist in the effort to corporatize our air traffic control system. I believe that we will all be the better for it.

Thank you.

"Entering the Finest Era"
Regional Airline Association Spring Convention
Reno, Nevada
May 11, 1994
Deputy Administrator Linda Hall Daschle

Good afternoon. Thank you for that warm welcome, and thank you for the opportunity to be with you today. It's always a pleasure to speak to an organization like this.

You may know that my very first job was with the FAA as a weather observer. My second and third jobs--which I hope earns me some points with this crowd--were with two Part 135 operators--Royal-Air and Mississippi Valley Airlines.

All told, I have spent 18 years of my life in aviation. During this time, I have watched the commuter industry mature. It has grown from a relatively small, unsophisticated business to an integral part of the air transportation industry in this country.

In the late 70's, with the advent of deregulation, your role in the nation's transportation system took on increased importance, especially in small and rural communities.

Between then and now, we have watched your annual passenger enplanements increase nearly 400 percent and the size of your fleets increase by 97 percent.

The outlook for your industry promises even more growth and vitality. In fact, the latest FAA forecasts show that regional and commuter activity will continue to outpace that of the major carriers. Passenger enplanements in the commuter category are expected to increase by an average of 7.5 percent each year over the next twelve years.

More and more you are offering consumers new options for service and fares. These are exciting times for your industry and for U.S. aviation generally. The world abroad grows closer and closer. Marketplaces are opening where closed doors once stood. America is reaching out with the firm hand of democracy and technology. Aviation is enjoying an unprecedented amount of support from this administration with the initiatives stemming from the airline commission and the National Performance Review.

There are many things we could talk about today. But, I would like to focus my remarks on two major areas of challenge.

The first major challenge we share is to improve the safety record of commuters and to fortify public confidence in the safety of Part 135 operators. Here again, you have made considerable progress in recent years.

Last year, the commuter airlines enjoyed the second lowest recorded accident rate ever. Overall commuter accidents dropped to 16 from the 23 experienced in 1992. The number of fatal accidents also decreased from 7 to 4. Unfortunately, there was an increase in the number of fatalities due to the tragic Dec. 1993, accident at Hibbing, which claimed 18 lives.

If we apply the 1978 commuter accident rate per 100,000 flights hours to 1993 traffic levels, we would have experienced 111 accidents last year -nearly 1 every 3 days rather than 16. That's remarkable progress.

Still, the commuter airline industry is constantly being compared to the major airlines which now have gone over two years without a passenger fatality while carrying some 1.8 billion passengers. By contrast, during that same period, the commuter airlines carried approximately 100 million passengers and had 46 total fatalities.

As a result, the commuters must deal with a public perception that flying on anything smaller than a large transport aircraft is unsafe, that flying on commuter aircraft is risky. We here today know that perception is not fair. As John Lauber of the N-T-S-B recently said, "Overall, all segments of the commercial aviation industry in this country are safe, including commuter airlines."

Still, the perception persists. The traveling public expects one level of safety and that's the bottom-line reality we both must deal with. The only effective way I know how to do that is to work together to achieve the same safety record for Part 135 commuters that we have with the majors.

To accomplish this, the FAA may take a different tack than the commuters, but I think we end up in the same spot at the end of the day. There is no disagreement about the goal. Safety is at the top of everyone's list of priorities. Unless safety comes first, everything else just plain doesn't matter.

We all know the old cliché--that safety is more than just an absence of accidents. It's about continually looking for ways to improve safety.

With commuters, we believe the best place to start is with training. Statistics show that human factors are associated with 70 percent of commuter accidents. And the NTSB's recent study of 37 aircraft accidents further confirms that directing our attention to crew resource management and enhanced training is the right way to go. We plan to initiate formal rulemaking this summer--but not before the NTSB's commuter airline safety forum next month in Atlanta.

We also have taken action in other areas to strengthen commuter safety by requiring ground proximity warning systems and airborne collision avoidance systems.

All aircraft with 10 or more seats were required to have a ground proximity warning system by April 20, 1994. Originally, the compliance date for carriage of TCAS 1 units was February 9, 1995. But, working with you, we have amended the rule to allow a phase-in schedule through 1997.

By the end of next month, the Aviation Safety Advisory Committee is scheduled to deliver a report on the controversial issue of flight and rest time for commuters news. I might just note that your President Walt Coleman is the vice-chairman of this committee so your interests are well represented.

We'll have to make a decision on this issue, but as in the other regulatory actions we propose, we want to do it as un-bureaucratically as possible. And by that I mean we will make sure your interests are heard and fully considered and that any regulation we adopt improves safety and doesn't impose a needless regulatory burden on the industry.

This is just one example of how we are trying to change our stripes in Washington. Moving away from bureaucracy is well under way in D.C. and in government across the country. The vice-president calls it "reinvention." I think that you folks call it just plain good business. This is the other challenge I would like to address today.

At FAA, we're taking a hard look at how we do business across the board, a hard look at avoiding the "that's-how-we-did-it-before" syndrome. That's the syndrome where people fall into a pattern and lose sight of the big picture. Because of this tendency toward inertia, we in the F-A-A are examining ourselves from all angles. We're asking the question, "What's the best way to do this?" not just "How did we do this before?"

And no where is this more evident than the proposal, unveiled last week in Washington, to establish a government corporation to run the air traffic control system.

We were very pleased to see that RAA has thrown its support behind the proposal, and I want to thank your president Walt Coleman. Walt has been around long enough to know that we can't tweak the current system to make it work more efficiently for users. We have tried that and it hasn't done the job. As he mentioned, we need to change the direction of the ATC system. And the best way to do it is through a government corporation.

Everyone concedes that the current air traffic control system is safe. And that's a great tribute to the controllers, to our maintenance technicians and the system users, past and present. But this safety record is achieved at great expense to the users in terms of efficiency. And, quite simply, we can no longer afford to operate in this fashion.

Basically, the FAA, as it is currently structured, finds it more and more difficult to prepare for the impact of important changes which are now transforming the world of aviation and altering the environment in which we work.

The acquisition process takes too long, lacks flexibility, costs too much and most often results in outdated technology. Today, for example, our air traffic control system labors under regulations that run to over 5,000 pages of procurement laws and internal procedures. They form a stack 17 feet high.

This has resulted in some truly amazing technological lags. FAA, for example, is one of the largest--and one of the last--customers for vacuum tubes.

There are air traffic controllers at Washington National Airport, for example, still using a Univac computer that's the size of a house trailer. That huge Univac, by the way, packs barely 1/10th the computer power of a 14-oz. laptop you can buy at any Radio Shack today.

The statutes and regulations that direct the Federal government's acquisition system were well intentioned--they were created to prevent fraud, the waste of taxpayer money and favoritism.

But, they end up being the source of major delays and waste of precious resources. They force FAA to focus its attention on the acquisition process rather than the product it is supposed to deliver to help meet your needs.

The statutes and regulations governing personnel practices are, unfortunately, just as bad. The major shortcomings with FAA's human resource system are that the job classification and compensation systems are too rigid and complex.

Current regulations governing recruitment, selection and placement of employees do not permit managers to readily hire the people they need, compensate them adequately to make sure they stay and assign them where they are most needed.

For some government regulatory agencies, the import of this may not be so great. In most regulatory agencies, typically no more than 2% of the workforce are directly involved in the operation of the industry it over sees. But, in the case of the FAA, over 70% of our workforce supports the operation of your business.

So, the only truly effective way to remedy this situation is to remove the air traffic control system from the snarl of bureaucratic regulations that prevent it from meeting the needs of its customers.

Last week, as you probably heard, the Vice President and Secretary Peña released the air traffic control corporation proposal. Let me take a minutes and give you some of its main features:

- o The U.S. Air Traffic Services Corporation -- that's what we are calling it, at least for now --would be a non-profit corporation, wholly-owned by the federal government.

- o It would have responsibility for air traffic control, system maintenance, modernization of ATC facilities and equipment, and the conduct of research into future systems. It will have delegated authority to develop airspace regulations.

- o The corporation would be governed by a board of directors which is responsive to the needs and interests of all users of the nation's airspace...civilian and military, commercial and general aviation.

Just as President Clinton has sought to have an administration which "looks like America," the corporate board will "look like American aviation" ... in all its impressive variety and vitality. It will not be under the thumb of just one narrow segment of the industry.

- o Once Congress enacts the legislation, the President would appoint an interim CEO within thirty days. We expect the corporation would begin full operations after a one-year transition period.

o The ATS Corporation will be entirely self-supporting and derive its income solely from fees levied on commercial aviation...fees set to reflect the actual costs of the air traffic control services which the Corporation provides.

Fee structures will be developed in consultation with those who use the system and will be subject to disapproval by the Secretary of Transportation.

These fees will replace an equivalent amount of existing aviation taxes so that there will be no net increase in the total financial burden to commercial users.

o There will be no fees levied against general aviation. The avgas tax they presently pay will continue to go straight into the Aviation Trust Fund to help support the remaining FAA functions.

o The Corporation would have borrowing authority which will enable it to fund its capital improvement program using funds raised in the private markets.

o The Corporation will be subject to the strict regulatory authority of the FAA...regularly monitoring its performance with the same rigorous scrutiny with which the Agency now enforces compliance by airlines and aircraft manufacturers.

o The FAA will retain many of its long-standing responsibilities for assuring aviation safety and security. The Agency will still set and enforce standards of airworthiness ...still certify and inspect...still oversee aviation security programs.

If we had the freedom to design an air traffic corporation from scratch, I believe this proposal comes very close to our concept of the ideal organization.

- The corporation will be free of entanglements in the federal budget process.
- It will be free to make timely acquisitions of new technology.
- And it will have a free hand to make intelligent use of its human resources.
- **But it will never be free to compromise on safety or economize on compliance.**

It will be obligated to serve the public's vital interest in a safe, well-managed national air space. But it will be done more efficiently and with greater economy.

What the corporation provides is an historic opportunity to show what we can do to make government work better and cost less.

I believe that the U.S. Air Traffic Services Corporation will represent another advance -- another step forward in our nation's ongoing commitment to the future of air travel and to the highest attainable standards of aviation safety.

Although there is a wide divergence of views on this issue, I really believe that the more users and others become familiar with the proposal the more they will join organizations such as the RAA in supporting the idea. And the more they will see it as the best way of meeting the challenges of a rapidly changing global aviation industry as we head into a new century.

The Congress is well aware of the important linkages among the airline industry, aircraft manufacturing and the economy as a whole. Neither the administration, nor the Congress, can afford to ignore these linkages or how this agency affects the entire aviation industry because there is much at stake.

On a world-wide scale, travel and tourism have become a trillion dollar business employing over 1 hundred 27 million people.

The bottom line is the bottom line: Aviation produces 6 point 1 percent of the world's gross national product. The tax revenues alone exceed 3 hundred billion dollars. That's more than 75 times the annual revenue of the State of Nevada for 1992.

Aviation is critical to the U.S. economy and to our ability to compete abroad. If we are to preserve and enhance the role aviation plays in our economy, then the F-A-A no longer can operate in a vacuum—or with vacuum tubes. All of which is to say that this administration, the Department of Transportation and the Federal Aviation Administration are taking the corporatization issue quite seriously.

Reforming the air traffic control system is a real opportunity to demonstrate one of the central beliefs of this Administration—the idea that we can reinvent government to make it work better and cost less. We are committed to bringing meaningful change in the way this FAA does business and enactment of this legislation is an important milestone toward achieving this goal.

Again, I want to thank Walt Coleman and members of the RAA for their support of this effort and I look forward to working with you in the months ahead as the corporation proposal moves through the Congress and towards adoption.

I personally look forward to working with each and everyone of you while I'm with the FAA.

Thank you very much.