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STATEMENT BY LINDA HALL DASCHLE
DEPUTY ADMINISTRATOR
FEDERAL AVIATION ADMINISTRATION
AVIATION SAFETY CONFERENCE
WASHINGTON, DC

January 9, 1995

The United States takes pride in the fact that our airspace is not only the most heavily travelled in the world but the safest as well. These achievements are linked. For a strong aviation sector depends on solid public confidence in the safety and integrity of the system.

The mission of the FAA ... from its founding ... has been to promote American aviation by adhering to the highest attainable standards of safety.

Last year, 516 million people flew in our skies. Our concern today is for the 264 who did not make it home.

Whenever an aviation accident occurs, attention turns immediately to Washington. All sorts of questions are raised about the regulatory role of government and what can be done to prevent such tragedies in the future.

We in the FAA ask ourselves these same questions. We ask them all the time -- not just when there has been an accident.

In this conference, we are asking you to explore with us the answers to these recurring questions.

From your daily involvement with the industry and its practices, and from your frequent dealings with the FAA -- you are in a position to offer reasonable recommendations on the steps all of us can take now to eliminate the few remaining hazards to aviation safety.

You are in the best position to know what government and industry can do collectively to reinforce public confidence in the safety of air travel.

In this afternoon's workshops, you will be reviewing what can be done to upgrade the training of crews and the maintenance of aircraft.

You will be looking at new technologies for air traffic control and weather tracking.

And you will be discussing the ways in which flight operations can benefit from GPS and other advances in navigation and communications.

These topics are already on the FAA's agenda. Take a look at our strategic plan and you will see an impressive array of projects and programs set up to identify the most promising ideas and translate them into working systems and procedures.

We have a lot to show for our investment and our effort.

But at the same time, we all realize that there are very real limits to what government alone can accomplish.

This conference gives the industry an opportunity to offer convincing and constructive alternatives. For the future of the American aviation industry is uniquely dependent on the public's continued faith in its commitment to safety.

All of us share this responsibility. Let us all share the task of fulfilling it.

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Remarks of
Linda Hall Daschle
Deputy Administrator
Federal Aviation Administration
Before the International Aviation Club
January 17, 1995

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For years many of us have been partners working toward a shared vision of tomorrow's aviation industry. I see here the faces of old friends who have performed vital roles, defined the critical issues and provided creative insights in the rapidly changing world of aviation.

I should probably not be so presumptuous, but I would like to speak for all flyers - both today's and tomorrow's -- by simply saying thank you for your commitment to excellence. You are all public servants in its finest sense as you sustain the private sector-public sector relationship that has made, and will continue to make America aviation so special and strong.

I want today to share with you some thoughts about the FAA in the context of our reorganization plans, the new congress, some sense of the implications of it all for our financing and budget, and finally about our first and ultimate concern -- safety.

Someone asked me earlier if I was worried about how the FAA would fare under Speaker Gingrich's reign. I just smiled and noted that the Congressman and I have one important thing in common: we both know that Delta is the largest employer in his congressional district.

We also need to recall that Mr. Gingrich is both an historian and a futurist. Life isn't just today with him. It is yesterday and tomorrow as well. And I think we at the FAA are well served by his dual nature.

With your forbearance, let me start with a bit of history that should convey to you why I believe the FAA is in good shape, why I think we have little to fear and much to gain from being ahead of the government reinvention curve, determined to be leaner and better than we have in the past even as we fulfill our obligations to an increasing demand.

We have already been taxiing, under co-pilots Peña and Hinson, in the direction that this new Congress seems to be heading.

Aviation, as you know, is not yet a hundred years old. From Kitty Hawk to the first 23 air-mile route from Tampa to St. Petersburg, Florida took 11 years.

But even then, nobody thought of aviation as much more than county-fair entertainment -- a time of wing-walking and loops, a period with more than a bit of wildness and danger -- in fact 21 of 40 people who tried to fly the Atlantic after Lindbergh flew instead to their deaths.

Before Lindbergh, during World War I, our government set out to develop an air force. In April 1918 after a full year of effort and the expenditure of some \$600 million -- certainly not petty cash then or today -- America had built a total of 15 aircraft. But not one could be flown in combat.

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Simply, if aviation remained a dangerous sideshow, the industry itself could never hope to fly. Businessmen who looked at the field came to one unassailable conclusion -- regulation by government was essential, imperative, and crucial to respectability.

So in the early twenties, a bureaucrat declared that it had become "a pressing duty of the Federal Government to provide for the regulation of air navigation." That official was the President of the United States, Warren G. Harding.

He was succeeded by a revolutionary gang of three who wisely agreed that before aviation could become a profitable part of our daily life, the American people had to be convinced of its safety.

The three -- none of whom if they were alive today would be invited to a Renaissance Weekend, were Hiram Bingham, Herbert Hoover, and Calvin Coolidge.

Let us be clear on who the founding fathers of government involvement in civil aviation were: they were business-oriented, conservative, Republican public office holders.

Behind them was a succession of associations funded by wealthy businessmen -- few in aviation proper -- but all of whom saw that aviation, if it were to become a significant part of an expanding United States' industrial and social fabric, had to be safe and responsibly regulated.

So my answer to the question of how will we fare is simply this: the FAA, and its predecessors, was born of conservatives, sustained by business, and remains, therefore, a comfortable fit with what I believe is the philosophical direction of this new Congress.

This is not to deny, of course, that Democrats have added to the strength and importance of government's role in aviation. They have and will continue to do so.

In fact some of the most monumental changes and proposals that propelled aviation to its importance today were as a result of another gang of three -- Franklin Roosevelt with the signing of the Air Commerce Act of 1938, Jimmy Carter with the enactment of the airline deregulation act of 1978, and the national aviation initiatives, notably the creation of an air traffic control federal corporation, as proposed by President Clinton.

So we are the fortunate good agency with parentage and support that flows from across the political spectrum. Simply, there is not, and should not be, a partisan approach to aviation. It belongs to all of us.

What then about the future?

Anyone who doesn't think significant change is coming, and coming soon, is flying on autopilot -- at best. Our responsibility -- ours meaning yours, the Congress, and the administration -- is to make sure that the changes that do come serve the industry, the users, and the safety of the system. To do less is to shirk our historic duty.

While aviation began as a kind of free-lance operation, its greatest growth has come with the cooperative work of industry and government.

From that tiny 1914 Florida route for air mail, we have grown through good economic times and bad, to about 50 million passengers in the early sixties and to more than 500 million today. And we are well on our way to a passenger load of 800 million people by the beginning of the next century.

Last year, as I just noted, more than half a billion people flew more than half a trillion miles on U.S. airlines. And they did it with the highest degree of safety available.

No matter how you measure it, air travel is safe travel.

And while we are anxious to complete one of our top 1995 safety initiatives, that is to enhance the safety standards for commuter airlines, this segment of the industry deserves much more respect that they have been getting.

Regional airlines in 1994 transported almost 58 million passengers. Departures increased almost 3 percent to almost 5 million, and still they had their lowest number of accidents on record.

Let me repeat -- 1994 was the safest year in commuter history in terms of accidents.

As Administrator Hinson noted last week during our safety summit, the collaboration between government and industry over the years has produced a system that is the safest in the world .

If one were to apply the 1961 Part 121 airline accident rate per 100,000 flight hours to today's level of traffic, we would have experienced 265 accidents in 1994, of which 35 would have been fatal accidents. Instead, we experienced 22 accidents, of which 4 were fatal. Clearly, substantial progress has been made.

Yet despite our tremendous safety achievements, last year's seven major and commuter fatal accidents bear witness to the need to renew our focus and emphasis on taking steps necessary to the elimination of all accidents.

To enhance the Agency's focus on aviation safety, we have established a new top-level safety analysis office which reports directly to the Administrator. Its sole responsibility is safety -- nothing more, nothing less. Within the next two weeks, our search for the individual who will lead this office should be completed and an announcement will be made at that time.

System safety is and must always be our first priority. Simply put, we must expend every available ounce of energy in reaching our goal of zero accidents.

If I had to sum up FAA's past year and a half, I would tell you that we have been, and we continue to work refining our mission, redefining it where that is necessary and sharpening it where that is possible.

It has been a time of change. In an era of diminishing resources and increasing demands, doing more with less is more than an idealistic goal.

And, David Hinson and I realize that it is crucial that the FAA becomes a more efficient, effective, and businesslike organization.

I do not presume to lay out today where we will be a year from now, but I can share with you this much.

Certainly the FAA will be leaner and trimmer in the future. By the end of fiscal year 1995, we will have reduced our full time employment level by 5,350. We will, however, supplement our aviation safety workforce by 300 new positions in 1995 and we have plans to hire more in 1996.

Secondly, the Department of Transportation, FAA's governmental home for the last 29 years, is in the process of reinvention.

Accelerating a streamlining effort begun two years ago, Secretary Peña recently announced a major departmental restructuring that will cut the bureaucracy in half while maintaining federal infrastructure investment commitments near current levels.

While the current plan is to consolidate DOT's ten current agencies into three, the final structure will be decided after consultations with Congress, users and the public.

The President has directed all agencies to examine their operations and to identify opportunities for achieving four goals. Those goals are to:

1. consolidate programs to give states and localities more authority and flexibility in using Federal resources.
2. empower the states and localities by transferring to them functions and authority so they may determine the best solutions for community problems.
3. Privatize and corporatize Federal activities that can be performed equally well -- or better -- by non-government entities.

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4. Terminate Federal programs that have outlived their usefulness.

In the end, I believe that the new DOT reorganization will foster a better environment to improve our delivery of essential services and respond more effectively and with greater accountability to our customers.

Thirdly, we will submit proposed legislation within the next 30 days to create an air traffic control federal corporation.

Perhaps one of the most far-reaching recommendations in President Clinton's National Aviation Initiative, this new organization would allow us to upgrade equipment much faster, make more business-like investment decisions and hire people with the technical skills needed at any given moment.

How we finance all of our activities is obviously the question on everyone's mind - ours, yours and the Congress. Budget constraints are a clear and present reality -- no longer just a prediction.

Since 1993, the FAA has sustained dollar reductions of more than 8 percent. And while our fiscal year 1996 budget is under development, it is likely -- given the hard budget freeze -- that the restrictions are continuing.

Whatever we do, we need to look carefully at what realistic options are which preserve the integrity of the aviation trust fund and which ensure that benefits reflect user fees levied.

So as you can see, our budgets are not growing, our workforce is shrinking, and demands for our services are increasing.

Hard choices are being made. This is a very serious effort to move forward and plan for a safer, more efficient, more cost-effective future for the federal government and the aviation industry.

We are ahead of the curve on right-sizing our staff and our budget. We have been at work since the beginning of the Clinton administration at trimming where we could without affecting our responsibilities to the industry and the nation.

We share with the Congress, we believe, a common understanding that we cannot, no matter what, do less for an American public which wants more safety and stability in this industry.

We will every day and every new year emphasize safety over all else. What changes occur in structure and personnel and systems will not just aim at increased safety, but will hit the target.

Finally, we all need to understand that the FAA is dedicated to making its contribution to the financial stability and viability of the airlines of America.

So, I leave you as I entered, confident about our FAA role, optimistic about the future of the airline industry, certain that aviation will grow both nationally and internationally as a safe carrier of more and more people.

The days ahead, no doubt, will be days of opportunity that we don't often see. The environment is ripe for change, and one thing that we can be sure of is that change is coming to the Federal government, to the Department of Transportation, and to the FAA.

The naysayers who believe change can be stopped fail to recognize that the constraints we face in the future will severely impede our ability to meet the demands of modernizing and maintaining a safe aviation system.

If we, and I mean all of us, want to continue as effective stewards of the nation's aviation resources we must embrace change and lead this process.

I urge all of you to seize the unique opportunities before us. To abandon the sidelines and enter the fray. Because I am confident that together we will be able to meet this challenge and to strengthen the safety and future of our industry.

I hope that all of you will join those of us in government who are working hard to do the right thing. This monumental effort cannot be business as usual because there is nothing usual about what we have to do.

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**TALKING POINTS FOR LINDA DASCHLE
MEDIA BRIEFING
JANUARY 27, 1995**

PUBLIC USE

- We're taking another important action to increase air safety. Beginning April 23, the FAA will require most "public aircraft" -- including more than 5,000 planes and helicopters owned and operated by state and local governments in all 50 states -- to meet the same safety standards and procedures that apply to non-governmental aircraft.
- Federal law previously exempted government-owned aircraft from FAA oversight. In October, Congress passed legislation to extend the FAA's civil aircraft regulations to most government-owned aircraft. On April 23, the FAA will begin inspections to enforce those regulations.
- The emphasis here is on safety. And part of the good news, from a safety standpoint, is that most government-owned aircraft are already in compliance with FAA safety standards. But this is an important move to strengthen air safety.

TCAS

- Implementation of the Traffic Alert and Collision Avoidance System (TCAS) is another success story. All three TCAS programs are on track.
- As of December 1994, more than 6,500 airline and corporate aircraft are equipped with TCAS and have logged more than 35 million hours of operation.
- Analysis of data collected during an operational evaluation program of TCAS, which the FAA conducted at the request of Congress, indicates that TCAS operation is providing an additional margin of safety against near mid-air and mid-air collisions.

STAGE THREE CONVERSION

- The first deadline for conversion from Stage Two aircraft to the quieter Stage Three aircraft was December 31, 1994. I'm pleased to report that the airlines met that deadline and are continuing to work aggressively to meet the goal of conversion from Stage Two to Stage Three aircraft.
- As a result of this and other noise abatement programs, there has been a dramatic decrease in the number of people affected by aircraft noise even though air traffic has continued to increase just as dramatically. Things really are getting better.

HATE-A-REG

- The 1994 Presidential Regulatory Review -- known affectionately here at the FAA as the "Hate-A-Reg" program -- was an innovative approach to regulatory review and a revealing look at how FAA regulations are perceived by the aviation community.
- Acting on a recommendation by the National Commission to Ensure a Strong Competitive Airline Industry, the FAA invited the aviation public to identify three regulations which, in their view, needed to be reviewed and/or changed.
- 184 commenters responded with 426 recommendations. We thoroughly reviewed every comment we received, then summarized the recommendation and developed a disposition.
- The most surprising thing about the review was that there were no surprises. In the majority of cases, the FAA was already taking action on recommendations we received. For the most part, we found that the desires of the aviation public were consistent with the agency's policies and practices.
- We are currently discussing whether to make the Hate-A-Reg program a regular, periodic component of our regulatory review process.

OTHER INNOVATIVE REGULATORY PROCEDURES

- Hate-A-Reg is only one example of innovative approaches the FAA is using to streamline and improve its regulatory processes and procedures.
- In June 1994, the FAA invited the aviation industry and the general public to a regulatory benefit/cost conference. We wanted suggestions on ways to improve estimates of the benefits and costs of future FAA rules. We're currently implementing an action plan in response to those suggestions.
- During the past two years, FAA economists have worked closely with several dozen Aviation Regulatory Advisory Committee groups, and provided preliminary estimates of benefits and costs, to help the groups formulate and evaluate rules changes.
- The FAA has developed an automated data base of the estimated benefits and costs of all rules promulgated or proposed by the agency since 1982. This permits an analysis of the cumulative effects of FAA rules, organized by industry segment or the type of problem addressed by the regulations.

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OTHER INNOVATIVE REGULATORY PROCEDURES

- Hate-A-Reg is only one example of innovative approaches the FAA is using to streamline and improve its regulatory processes and procedures.
- In June 1994, the FAA invited the aviation industry and the general public to a regulatory benefit/cost conference. We wanted suggestions on ways to improve estimates of the benefits and costs of future FAA rules. We're currently implementing an action plan in response to those suggestions.
- During the past two years, FAA economists have worked closely with several dozen Aviation Regulatory Advisory Committee groups, and provided preliminary estimates of benefits and costs, to help the groups formulate and evaluate rules changes.
- The FAA has developed an automated data base of the estimated benefits and costs of all rules promulgated or proposed by the agency since 1982. This permits an analysis of the cumulative effects of FAA rules, organized by industry segment or the type of problem addressed by the regulations.

Good evening. It's always great to come back to Chicago. Before we get started tonight, I want to thank a few of the people who are responsible for making this evening a success.

- John Edwardson, president of UAL Corp. and United Airlines, for that warm introduction.
- Don Jacobs, Dean of the Graduate School of Management, who is hosting the event.
- Jay Franke, Former Commissioner of Aviation for the City of Chicago.
- Aaron Gellman, director of the Transportation Center here at Northwestern University.

I also want to say a special thank-you to the faculty and the students here at Northwestern -- especially the students. Whether you're a freshman working on your bachelor's degree, or an executive graduate student working on your MBA, you represent the future of America, and that's what I'm here to talk about tonight.

REMARKS PREPARED FOR DELIVERY BY
DEPARTMENT OF TRANSPORTATION OFFICIALS
POST-STATE OF THE UNION COLLEGE EVENTS
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(These remarks are usable for all audiences, with the exception of several double-underlined phrases, which are appropriate for audiences comprised primarily of college students.)

[Local opening acknowledgements]

From the birth of our nation, the United States has had a sense of hope and optimism -- a sense of possibility -- that we have called the American Dream. As President Clinton said in his State of the Union Address, that dream is endangered, and it's up to us to restore it.

At the heart of that dream is the idea that *all* Americans who work hard and play by the rules -- who take responsibility for their own lives -- should have the chance to build a better future for themselves and for those they love.

That's the kind of hopeful, optimistic America that my generation was privileged to grow up in. But for more than 20 years -- for many of you, almost your whole lives -- middle-class incomes have stagnated. Only the highest-income members of our society have *fully* benefitted from economic growth.

Let me give you some startling numbers. Over the last 15 years, household incomes have grown by \$826 billion. But *98 percent* of that growth has gone to the top fifth of our population -- leaving four-fifths of our people to share the remaining *two percent*.

The problem's not that some Americans are getting rich -- *that's wonderful* -- the problem's that many Americans are getting *nowhere*.

Although unemployment is down and 5.6 million jobs have been created under the Clinton Administration, too many families' incomes are standing still. Working Americans are on a treadmill, and see their hope for a better future fading.

President Clinton believes that government has a role to play in countering this trend and restoring economic growth and greater opportunity for working families.

We can do that by investing both in our physical infrastructure and in our people. That's not a new role for government.

In *my* own field of transportation, government built the roads that tied the young American nation together.

Government and private enterprise sponsored the great canals that extended prosperity inland from the colonial seaports.

Government promoted the transcontinental railroads that linked us from sea to sea.

Government built the Interstate Highways that reshaped the nation in the 1950s and that still provide the most efficient and safest highway travel in the world.

And government continues to invest in transportation infrastructure today. Our 1995 federal transportation budget is the highest ever, and it'll help to build the high-tech vehicles, the high-speed rail networks, and the intelligent transportation systems which will carry us into the next century.

But infrastructure -- everything from roads and bridges to the fiber optic networks of the Information Highway -- is only *part* of what we must invest in if Americans are to compete in the new global economy.

We also must invest in our people -- in their knowledge, their skills, their earning power. That's what economists call "human capital investment." President Clinton calls it "*putting people first*."

The Clinton Administration has pursued many strategies to overcome Americans' stagnation and insecurity -- for example, by carrying out the most far-reaching education agenda in a generation.

We've built on a tradition of federal support for education that dates from 19th century land-grant colleges

to today's student loan programs, scholarships, and sponsorship of research and development.

We've taken that support to a higher level. Head Start has been dramatically expanded. Challenging standards have been set for the nation's elementary and secondary schools under the Goals 2000 program.

Young people who don't want to attend college now have greater possibilities for on-the-job training under the new School-to-Work apprenticeship program.

Those who *do* want to attend college -- such as yourselves -- can have more affordable loans -- with lower fees and lower interest -- directly from the federal government -- something which also will save taxpayers *\$4.3 billion* over five years.

Students also have the opportunity to pay off their college expenses through the AmeriCorps national service program, which will stand as one of the Clinton Administration's proudest achievements. It lets students who give a year to their community get a hand with their education.

Already, 20,000 young Americans are working around the country doing childhood immunizations in Texas -- working with police to shut down crack houses in Kansas City -- and tutoring second-graders in rural Kentucky. They're serving themselves by getting good educations -- and then serving America.

Initiatives such as AmeriCorps are a great start -- a way to open new paths to prosperity, new ways for people to achieve their own American dreams. *But we still need to do more.*

And so, in his State of the Union Address President Clinton set forth a strategy to increase people's opportunities by giving all Americans access to the tools we need to compete in a rapidly-changing economy -- the education and training that are essential to advancement and security.

This isn't a radical vision. Half a century ago, President Franklin Roosevelt proposed the G.I. Bill of Rights to help veterans returning from World War II go to college, to buy homes, and to raise their children.

The G.I. Bill led to a generation of prosperity by giving young Americans -- some of them your own grandparents -- the keys to their future.

Today, President Clinton proposes to do the same through a Middle-Class Bill of Rights. The President's plan gives today's aspiring workers and job seekers the same kind of opportunity that the G.I. Bill did for their parents and grandparents -- and does it in a way that empowers individuals and bypasses bureaucracy.

First, his plan provides *tax deductions for education and training* so that working Americans can pay for

building the new skills that lead to better wages and more secure jobs.

Families will be able to deduct up to \$10,000 annually for tuition and costs for college, for graduate education, for vocational and technical schools, and for worker retraining. So all of you can tell your parents that you're now saving them money.

Second, families with children under age 13 will receive *tax credits of \$500 per child* to invest as they see fit. This will especially help those just starting out in life, who have the costs of raising a young family but haven't yet reached their peak earning power.

Third, working families will be able to save \$2,000 a year tax-free in *expanded Individual Retirement Accounts*, and to invest that money -- without penalty -- to acquire new skills or to buy a first home or cover medical expenses or care for aging parents.

Fourth, the President proposes *comprehensive reform of employment and training programs* to help unemployed workers and low-income adults and youths -- many of whom would not benefit from tax incentives.

The President wants to consolidate 50 separate programs into an integrated system that will give working people the freedom to choose the training that *they* need, and that *they* decide on -- and pay for that training with Skill Grants worth up to \$2,600 a year, and with

Individual Education Accounts -- low-cost loans that they can repay as their future income grows.

Together, these programs will provide \$60 billion of tax cuts -- and these tax cuts are carefully targeted to meet the needs of the working Americans who truly need tax relief.

They are part of a New Covenant between the American people and their government -- one in which government helps people to obtain the tools they need to improve their lives and people take responsibility for their lives and their communities.

It's a return to the shared values of personal responsibility and respect for each other which characterized America, and it's something which the President believes in deeply.

The Clinton Administration is applying that same sense of responsibility to its own proposals for tax cuts. In the 1980s, tax cuts blew up the budget deficit and saddled future generations with trillions of dollars of debt.

By contrast, one of this Administration's proudest achievements has been to *reduce* the deficit for three consecutive years -- the first time that has been done since Harry Truman was President.

So, while we'll expand opportunities for working Americans, we're not going to turn our backs on

responsibility. *These* tax cuts will be paid for with genuine spending cuts -- cuts that *we* have *already* put on the table.

And -- unlike some -- the Clinton Administration isn't proposing to starve education to pay for tax cuts. For example, some have proposed *eliminating* government support for the interest on loans that students take out while in school -- which would take \$10 billion out of the pockets of low and middle-income students over the next five years alone. *That's wrong.*

We know that education must be one of America's highest priorities -- if every child is going to reach his potential and if every worker is going to have the chance to compete and win in the new economy.

Instead, we're going to find the savings we need to pay for the Middle-Class Bill of Rights by reducing the size of the federal government -- including my own Department -- by cutting bureaucracy and inefficient programs, and saving a total of \$76 billion.

\$60 billion of that will be returned to taxpayers through the Middle-Class Bill of Rights, and the rest of these savings will be used to continue holding down the budget deficit.

The President's program will lay the foundation for prosperity as America competes to win in the global economy of the 21st century. It's an investment in ourselves -- a way to help Americans help themselves.

We will sustain the educated, skilled work force this country needs to succeed -- and we will restore the sense of boundless opportunity that has always made America so unique among nations.

And we'll show the world that the American Dream of opportunity for all who take responsibility for themselves is something that we can -- and will -- preserve, protect and pass on to future generations.

As part of our commitment to the future, we also have a responsibility to make sure that our government is operating efficiently and cost-effectively today.

Within the next few weeks, Congress will begin holding hearings on a proposal that is one of my top priorities as the FAA Administrator -- and one that should be of vital interest to all Americans.

(DISCUSS ATC PROPOSAL)

As President Clinton said in his State of the Union Address, America has always been a land of opportunity and promise. The American people have always faced new challenges with courage and commitment.

At the FAA, we believe in that spirit. We believe that total safety is an achievable goal, and we are committed to making air travel 100 percent safe.

Thank you.