

SAFEGUARDING OUR GAINS
Advancing Women's Careers in an Uncertain Era
LINDA HALL DASCHLE
FAA DEPUTY ADMINISTRATOR

The Technical Women's Organization (TWO) is one of my favorite groups, because I know that we look at many of the important issues from much the same vantage point. It's not so much because we're women, but because we share a common commitment to the FAA and its mission.

We share a common commitment, and nowadays we must share a common concern about the future...for our careers, for the agency, and for the future of aviation itself.

As women in aviation, we do have a perspective that is our own -- one shaped by our history and our work experience. Some of that history was recalled for us earlier this year during the commemorations marking the end of the Second World War.

One of the most fascinating chapters of that history is the story of the WASP's -- the Women Airforce Service Pilots. More than 1,800 women trained to fly every kind of plane the Army Air Force put in the sky -- everything from small primary trainers to the B-29 Superfortress.

Walt Disney designed the insignia that the women wore on their flying jackets. It was a cute little gremlin named Fifinella, who was all dressed up in a yellow helmet, red shirt, red boots, and blue-rimmed goggles. Sort of Minnie Mouse with wings.

But there was nothing cute about the job the WASPs had to do. They ferried planes through storms and blizzards. They towed gunnery targets to give artillery men something to practice shooting at.

By the end of the war, women had flown 60 million miles and had distinguished themselves repeatedly as pilots. For example, women were the first, other than test pilots, to take the controls of the B-29. The regular Army pilots balked at flying the Superfortress, so WASP crews were sent up to prove that this was a plane "even women could fly."

Yet, despite their heroic service -- 38 died in wartime plane crashes -- there was only grudging recognition, when there was any at all. Some of the first WASP's were forced to masquerade as a basketball team because the Army didn't want Hitler to think America was so desperate for pilots that our military had to use women. It wasn't until 1977 that Congress finally agreed to give WASP's any veterans' benefits. When the bill finally was signed at a White House ceremony, no WASPs were invited.

We're lucky that our generation doesn't have to refight all those old battles for recognition. Although sometimes it seems like we're still being used for target practice.

There have been solid gains for women, and most of them have happened in recent years. Many of us here today can remember a different time when old patterns of power and privilege prevailed. We're old enough to know that times have changed, but we're still young enough to reap the benefits.

The women of the FAA are now found throughout the agency, working in all kinds of jobs. Thanks to organizations such as T-W-O, women are more involved than ever in making major decisions -- the ones which really matter to us all.

Peggy Gilligan has just become Deputy Associate Administrator for Regulation and Certification. Lynne Osmus is moving into Peggy's old job as Chief of Staff.

Beth Yoest is Deputy Director for Aircraft Certification. Cynthia Rich is Assistant Administrator for Airports. Sandie Allen holds the same position for Public Affairs.

Ruth Leverentz is our acting Budget Director -- a position of acute importance for the agency in these dynamic days when funding levels seem to change almost by the hour. Kay Frances Dolan is our acting director of Human Resources.

Three women are Regional Administrators: Carolyn Blum, Arlene Feldman, and Jackie Smith. Woodie Woodward heads up the Center for Management Development down in Florida.

I could name a dozen or more others. This is the first time that the FAA has had so many women in senior positions. And this rise to prominence comes at a critical juncture. It's a time when the agency is on the verge of fundamental and far-reaching change.

The next few months are probably the most critical in our entire history.

All of us in the Clinton Administration came into office determined to make government more productive. That means doing more with less -- shrinking the workforce and eliminating programs which don't work or are no longer necessary.

We've already shown we're up to the challenge. While air traffic has grown more than 6 percent over the last two years, we've seen the FAA budget experience a real decline for the first time in more than a decade. A six percent drop. Six hundred million dollars.

We've managed by eliminating technology programs that are no longer warranted. We've overhauled other projects that were going to cost too much. By the end of this fiscal year, we will have reduced our work force by more than 5,000 employees.

We took these actions in the spirit of reinventing government. We knew the result would be a leaner, more efficient FAA that could perform its critical aviation missions even better than before.

Now, the situation is different. We are facing the prospect of enormous budget reductions by the Congress and a consequent scaling back of FAA programs. That could have damaging long-term consequences.

The House and Senate recently agreed on a budget plan that will dramatically reduce government spending to achieve a balanced budget and give Americans a tax cut. This budget compromise includes \$180 billion for DOT for fiscal years 1996 through 2002.

While we still don't know the specifics of how the FAA will be affected, one thing seems clear. The budget does not give us enough money to continue today's level of service to the American public.

I'm especially concerned about what could happen to the FAA safety efforts that have helped make our nation's airspace the safest in world.

Today, FAA employees keep more than 30,000 pieces of complex safety equipment and facilities across the nation operating at 99.4 percent reliability. Our safety and security professionals conduct nearly 1,000 inspections on pilots, planes and airports on an average day.

It is truly an outstanding effort.

Can we do better? Absolutely! But if we are forced to make do with the current budget projections, it will be impossible.

If the budget remains as is, critical technology programs would take a substantial hit. We would be forced to slow research on projects that would enhance system safety and capacity, even as air traffic continues to grow to record levels: more than 740 million passengers and nearly 8 million departures in this country alone by 2002.

We would have to defer the installation of new weather and windshear detection systems, and new systems to prevent runway incidents. We would have to stop research on new ways to increase passenger survival rates in airplane fires.

The FAA could not participate as fully in accident investigations. Many of our current inspection and certification services would have to be eliminated.

There would be a drastic reduction in the FAA's ability to monitor, inspect and enforce aviation security.

This is not just the "usual" budget crisis that federal agencies seem to experience annually. In my prior jobs, and now as Deputy Administrator, I've worked on the FAA budget for more than a decade. I can honestly say I have never seen a time like this.

The budget proposal on Capitol Hill would push us too far, too fast in a direction no one wants to go. Not the President, not the FAA, not the aviation industry, and probably not even the members of Congress ...once they take the time to think through the many serious implications..

The budget proposal overlooks the fact that the FAA is unlike most other agencies. While the function of much of the federal government today is to provide cash payments, the FAA still provides a service ... a critically important service ... 24 hours a day, 7 days a week.

Collecting taxes and issuing checks doesn't take a lot of people anymore. Computers have taken over much of the work once done by tens of thousands of clerical workers. In fact, a recent New York Times article pointed out that the ratio of the federal bureaucracy to the overall workforce has shrunk steadily since the 1950s.

But the FAA is very different. As an operating agency, we depend on our workforce and recognize that our people are a vital resource. And we can't do the job demanded of us if we are unable to provide them the equipment they need ... adequate pay and benefits ... the technical and managerial training the demands of their positions require.

These conditions are going to be increasingly difficult to satisfy so long as the FAA continues to exist in its present form.

That is why the Clinton Administration has proposed that a new type of government corporation be created to take over the air traffic control and maintenance functions now housed within the FAA. The proposal was not a hasty one. It was the result of a thorough analysis of the need for greater flexibility in personnel and procurement policies.

The corporation would also shield air traffic services from the chainsaw of budget politics. It would prevent any long-term erosion in the quality of our nation's air traffic services.

The idea is controversial. And there are several alternative plans -- some of which are being considered in Congress right now. We can't be sure which version will eventually prevail or what kind of compromise may finally emerge.

But David Hinson and I are fighting with all our power, and we will continue to make our budget case clear to the media, Congress and the White House. Our ability to preserve aviation safety...to provide our employees a model workplace...to expand career opportunities for women and minorities...depend on winning this battle.

As we move toward the next century, I applaud you for the theme of this year's convention: "Moving toward a new century of diversity." We must keep our momentum. Like the budget battle, there will be new hurdles. But working together, we can overcome them.

In conquering these challenges, we have taken up the mission left unfinished 50 years ago by the women who were WASPs. You have overcome -- and will continue to overcome -- the remaining barriers to full participation in all fields of aviation.

In our efforts, we are reinforced by the irrefutable proof that the gains we have made over the last half-century aren't just good for women. They are vital to keeping American aviation number one in the world.

Fifinella would be proud....

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REMARKS PREPARED FOR LINDA HALL DASCHLE
DEPUTY ADMINISTRATOR
FEDERAL AVIATION ADMINISTRATION
ACI/AAAE Legislative Issues Conference
Washington, D.C.
July 11, 1995

Thank you very much, Jack (Armour), for those kind words. And thank you for the opportunity to be with you today. It's good to see so many familiar faces.

Even without that introduction, most of you know that I have a very special feeling for airports and the people who run them. You understand, as I do, the essential role that airports and expanded air services play in developing our national and local economies.

Today, and every day, America's airports serve some 1.5 million passengers. Airport professionals -- those of you here today and your colleagues throughout the country -- are partners in the finest air transportation system in the world.

Together, we have created a system where accidents are so rare that they make headlines when they do happen.

We achieved this high level of safety not by luck, but by diligence.

We have the safest system in the world because aircraft company CEO's, airline CEO's, airport directors, and all their employees have worked hard to make it so.

We have the safest system in the world because the FAA has a team of hardworking safety professionals unsurpassed in their dedication and expertise.

When I first started working in aviation some 18 years ago, air travel was still an elite privilege.

Today it is a routine part of life for the majority of Americans. That is how far we have come -- together -- in little more than a generation.

But all of us in this partnership need to be concerned about the changes that are happening in Washington.

This morning, I'd like to talk about two of those changes: One is our shrinking federal resources. The other is the restructuring of the FAA. There is a strong linkage between them.

You know the aviation system. So it won't surprise you when I say that the demands on the FAA are greater today than ever before.

In the past two years, we have seen a 15 percent increase in the number of air travellers.

Our forecasts, and those of industry, tell us that the number of people traveling by air is growing steadily: more than 4 percent a year in our domestic airspace. Demand for international travel is growing even more quickly. We expect 300 million more passengers annually by the year 2002.

Air traffic operations are up 6 percent. Controllers handle an average of two flights per second, every minute, every hour, 365 days a year. And in order to handle the growth we expect over the next dozen years, an additional 40 percent more flights may be needed.
(Hinson, Paris Air Show, 6/12/95)

We have added nearly 2,900 new facilities to the National Airspace System. Many are major systems like TDWR and ASDE-3 radars...a brand new TRACON in Southern California...the Voice Switching and Control System at Seattle, Salt Lake City and many other locations shortly.

Every day, 30,000 pieces of equipment at airports and FAA facilities operate with almost perfect reliability -- 99.4 percent -- even though we have 900 fewer technicians than we had just four years ago.

Every day, our safety, security, and airport specialists conduct, on average, nearly 1,000 inspections.

We worked with you to open Denver International, which is now exceeding expectations as a showcase of American technology and advanced airport design.

We worked alongside U.S. industry to put the world's newest airplane -- the Boeing 777 - in the air and onto the marketplace.

And together, we have set out to achieve a new safety goal -- zero accidents.

Our challenge now, in a time of tight budgets, is not only to safeguard our gains but also to keep moving forward.

We've already shown that the FAA is up to the challenge. While air traffic operations have grown more than 6 percent over the last two years, our budget has dropped 6 percent. Six hundred million dollars.

The reduction is more acute in our capital accounts. AIP is down 21 percent. F&E spending is down by almost 20 percent.

We're working with you to find creative ways to make our federal AIP dollars go further. To give you more flexibility to engage in partnerships with private business and to access the capital markets.

We've managed the cuts in F&E by eliminating technology programs that are no longer warranted. We have overhauled other projects that were going to cost too much.

By the end of this fiscal year, we will have reduced our overall work force by more than 5,000 employees, while managing to avoid major cuts in our on-line safety staff.

We took these actions in the spirit of reinventing government. We're leaner, more efficient, and much better organized to manage the FAA like a well run business.

Now, the situation is different. We are facing the prospect of enormous budget reductions by the Congress and a consequent scaling back of FAA programs. That could have damaging long-term consequences for the safety, efficiency and economy of U.S. aviation.

The House and Senate recently agreed on a budget plan that will dramatically reduce government spending to achieve a balanced budget and give Americans a tax cut.

While we still don't know the specifics of how the FAA will be affected, one thing seems clear. Even with the best possible outcome, the FAA's funding will fall far short of the amount we need to support the level of service we provide today ... let alone provide for growth.

[GO TO CHART AND EXPLAIN]

If we are forced to make do with the current budget projections, the high standards of efficiency and safety the American people now take for granted will be compromised.

Here's a sampling of proposed reductions:

- For the first time since the PATCO strike, we will begin to lay off controllers.
- By 1999, we would close Level I towers, affecting more than 100 communities, and begin closing Level II towers.
- Air traffic volume delays due to a reduced controller workforce would more than double -- from 47,000 in 1994 to more than 105,000 in 2002. Equipment-related delays would leap from today's 4,000 to almost 60,000.
- The cost to airlines and passengers from these delays would be staggering: \$3.7 billion annually by 2002.

- Safety, security and airport inspectors would be reduced.
- Critical technology programs would take a substantial hit. We would be forced to slow research on projects that would enhance system safety and capacity, even as air traffic continues to grow to record levels: more than 740 million enplanements in this country alone by 2002.
- We would defer the installation of new weather and windshear detection systems, and new systems to prevent runway incidents.
- Applications for FAA approval, whether it be an AIP grant, an EIS or adding a new plane to an ops manual, would all be slowed.

I think you can see this is not just the "usual" budget crisis that many federal agencies seem to experience annually. In my prior jobs, and now as Deputy Administrator, I've worked on the FAA budget for more than a decade. I can honestly say I have never seen a time like this.

The budget proposal on Capitol Hill would push us too far and too fast, in a direction that no one wants to go. Not the President, not the FAA, not the aviation industry, and probably not even the members of Congress ...once they take the time to think through the many serious implications.

David Hinson and I recognize that we have a responsibility for the entire aviation system. And because it is a complex system of interlocking elements, weakening one part places all of it in jeopardy.

You know this system, too. Airports cannot thrive if the rest of the system is faltering.

President Clinton anticipated such a financial crisis a year and a half ago. It is exactly these consequences the Administration hopes to avoid by taking air traffic control out of the FAA and placing it in a government corporation.

Other alternatives have been offered -- from taking the trust funds off budget ... to total privatization ... to an independent FAA.

USATS is the only comprehensive bill. All the others are piecemeal solutions.

If USATS isn't going anywhere in Congress, we stand ready to work with them on genuine alternatives. But our bottom line will be a long-term solution to the FAA's financial woes.

I hope you will engage fully in helping to find solutions. Small increases in AIP funds will be meaningless if we no longer have the resources to operate control towers at airports or provide adequate security.

Finding solutions will not be for the faint-hearted. It will take some tough decisions and some sacrifices by all parties to make this work. But having been in aviation for almost 20 years, I know we can get the job done.

I truly believe this is a turning point for the FAA and the aviation industry.

But to take full advantage of our opportunities, we must demand our fair share of resources. David Hinson and I stand ready to make our case to the media, to Congress and to the White House.

We all have a role to play in this debate over the future of American aviation. I look forward to working with you as we strive to maintain the best and safest air transportation system in the world.

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'Author: Les Dorr at APA
Date: 7/11/95 1:18 PM
Priority: Urgent
TO: Terry Kraus
: Diane Speed
Subject: Linda's ACI speech

----- Message Contents -----

Final of Linda's 7/11 ACI speech is in h: drive as "faci.doc"

At her request, DO NOT DISTRIBUTE the speech. I've noted this on the document. She feels some of the things are going to get hot, plus she was going to ad lib the chart material....

Les

FAX

Date:

7/18/95

Number of pages including cover sheet:

4

To:

Bob Brown

Travel Trade

Phone:

703/451-5130

Fax phone:

703/451-4413

CC:

From:

Lianne Spill

Phone:

202/267-3445

Fax phone:

REMARKS:

☐

Urgent

☐

For your review

☐

Reply ASAP

☐

Please comment

Deputy Daskle speak on July 11, 1995.

FUNDING IMPACT ON FAA AT THE BUDGET RESOLUTION CONFERENCE AGREEMENT LEVEL

FAA Mission - The FAA mission is unique.

- FAA has a unique role in Government, the only nondefense Government service that operates 24 hours a day/365 days a year. FAA operates and maintains the ATC system for both civil and military users and handles an average of two flights per every second.
- FAA operates more than 30,000 pieces of safety equipment at airports and FAA facilities across this nation with almost perfect reliability—99.4 percent.
- FAA issues more than 1,000 airport grants annually to improve airport safety and infrastructure.
- FAA has established a zero accidents goal and is aggressively taking action to reach that goal. Today, more than 355,000 inspections are conducted annually in addition to establishing safety standards, monitoring and enforcing safety performance, and issuing certificates and licenses for aviation products and operators. FAA takes more than 12,000 enforcement actions annually.
- FAA prevents midair collisions and increases capacity through the research and acquisition associated with the modernization of the infrastructure for the National Airspace System.
- FAA identifies threats, devises countermeasures and develops effective policies, plans, and procedures to guard against terrorist attacks in civil aviation.

Employees and Facilities - The FAA has been one of the leaders in reducing operating budgets and workforce.

- FAA has 48,000 total employees, a reduction of 5,000 since 1993.
- 36,000 of the total have direct, hands-on involvement in the ATC system.
- FAA operates over 600 air traffic facilities, including 14 of the 15 busiest airports in the world.

Workload - FAA's workload is growing.

- By 2002, it is expected that the total number of passengers per year will increase by 34 percent or 300 million passengers.
- By 2002, it is expected commercial operations will increase by 17 percent.

Budget - The FAA budget is going down.

- While air traffic has grown more than 6 percent over the last 2 years, the FAA budget experienced a real decline of 6 percent-- \$600 million.
- The Budget Resolution conference agreement cuts an additional \$10 billion from transportation spending proposed by the President, cuts which will jeopardize the safety and efficiency of the aviation system.

Impact

- Under the Budget Resolution--a safe and efficient aviation system will be jeopardized.
- FAA's ability to improve weather safety equipment and to prevent accidents would be compromised.
- Wake vortex detection systems at large airports to protect smaller commuter/regional business jets landing behind large commercial airplanes would not be developed.
- Introduction of satellite navigation technology--GPS--would be delayed for at least 5 years, costing air carriers millions of dollars each year in lost efficiency.
- FAA would be less able to respond to domestic and international terrorism. Security specialists would be cut by one-third, ending FAA's ability to assure compliance with security regulations, to provide on-site monitoring, and to assist air carriers experiencing major terrorist threats.
- FAA would no longer certify new aircraft, engines or parts. These responsibilities would be transferred to private interests.
- All international offices would be closed, eliminating FAA's international presence for safety, security, and certification functions and undermining the United States' goal of ensuring U.S. passenger safety worldwide.

- Research into better methods of protecting passengers from inflight and post-crash fires would end.
- From FY 1995 to 2002, the workforce of air traffic controllers and flight service technicians would be reduced 44 percent despite a 34 percent increase in the number of passengers and a 17 percent increase in commercial operations. Flight service stations and control towers would be closed to the detriment of general aviation and small communities. Hundreds of communities in all 50 states would lose jobs and air traffic services. And, almost 105,000 flights would be delayed annually, at a cost to carriers and passengers that exceeds \$2.3 billion.
- ~~Equipment-related delays--caused by funding shortfalls for new technology and skilled maintenance technicians-- would rise precipitously from 4,000 to 60,000 per year, and additional operating costs would accrue to carriers and passengers.~~ STET
- The AIP reductions would result in a loss of over 90,000 jobs to the economy over a six-year period.
- FAA would be reducing its ability to provide advice, support and security specialists to inspect and monitor the security of FAA facilities, despite the need for a heightened level of safety and security.

Remarks Prepared For
Linda Hall Daschle, Deputy Administrator
Federal Aviation Administration
Fourth Annual National Aviation
and Transportation Center Symposium
Dowling College, New York
July 24, 1995

Thank you for that kind introduction.

Not only am I delighted to be here, I am honored that you would invite me to participate in your important conference.

And then of course, getting out of Washington to escape the hot steam from the Potomac and the politics is always a welcomed relief.

Thank you for this opportunity to tell you how your Federal Aviation Administration is changing to meet the aviation challenges of the future.

All modes of transportation, especially aviation, are currently facing enormous challenges as we move into the next century.

How we face those challenges today will determine the nature of the FAA and the aviation industry of tomorrow.

I know it won't come as a surprise to many of you when I say that the demands on the FAA are greater than ever before.

We currently operate an air traffic control system that handles an average of two flights per second, every minute, every hour, 365 days a year.

Every day, with the help of our workforce, U.S. commercial aircraft move approximately 1.5 million passengers safely to their destinations.

Our employees keep more than 30,000 pieces of complex safety equipment and facilities across the nation operating at 99.4 percent reliability.

Our safety inspectors perform more than 350,000 individual inspections annually, and almost 1,000 aircraft and aircrew inspections per day.

We have the safest transportation system in the world because of our public servants' strong commitment to making it so.

We have the safest transportation system in the world because the aircraft manufacturing CEOs and their employees, the airline CEOs and their employees, the airport directors and their employees, and so many others are dedicated to keeping it so.

So despite what the cynics say, or the headlines read, America's aviation system is the finest.

The question is, can it be better? Absolutely.

All of us in the Clinton Administration came into office determined to make government more productive.

That means doing more with less.

I believe FAA has already shown we're up to the challenge.

While air traffic has grown more than 6 percent over the last two years, we've seen the FAA budget experience a real decline for the first time in more than a decade.

A six percent drop. Six hundred million dollars.

We've responded by eliminating technology programs that are no longer warranted -- such as the MLS program.

We've overhauled other projects that were going to cost too much -- such as the Advanced Automation System.

And, by the end of this fiscal year, we will have reduced our work force by more than 5,000 employees.

In this era of diminishing resources and increasing demands, it has also been necessary for the FAA to strengthen the way we manage our products and services.

We had to begin operating like a smart business.

This is especially critical as we make the monumental and costly transition to a space-based air traffic control system, with its dependence on satellites, digital communications, and highly sophisticated automation.

As part of our continuing effort to make the agency a more efficient, effective, and businesslike organization, our Administrator, David Hinson announced a new organizational structure last November.

The new organization is formed along the six lines of business, all of which represent very distinct products and services provided by the FAA:

1. air traffic services
2. safety regulation and certification
3. airport development
4. security
5. research, development, and acquisition
6. administration

This new structure is designed to reflect a smaller FAA, to improve accountability, increase productivity, and to help us manage our programs like a well-run business.

But, even with the reorganization, our need to constantly analyze and adjust the way we do business is ongoing.

For example, two weeks ago we announced a comprehensive review of the FAA's safety regulation and certification capabilities.

Known as Challenge 2000, the program is designed to help the FAA determine what it needs to do to meet the increasing challenges of regulating a growing aviation industry and certifying rapidly changing technologies as America enters the 21st century.

DOT also is in the midst of restructuring and replanning. The changes will affect all the Department's activities -- including the FAA.

DOT has submitted legislation to consolidate 10 agencies into three, divided roughly as air, land and sea. (Or as we like to call it, the Paul Revere plan.)

This reorganization proposal is expected to cut the bureaucracy in half and save hundreds of millions of dollars. And, it represents the most significant change in DOT's 28-year history.

At the heart of the Secretary's reorganization plan are two core missions: safety and investment.

The FAA would take over a few other aviation-related functions now located in the Department, such as commercial space, but for the most part, the Secretary's plan would have the FAA performing the safety functions it does today.

There is one notable exception, however. That plan also envisions that FAA's air traffic services would be taken over by a government-owned corporation.

No other Federal agency has a service that is so intertwined with that of the industry it regulates.

It is only in aviation that the daily profitability and efficiency of an entire industry relies on a government agency which has to operate by the rules of a Federal bureaucracy, not the rules of the market place.

Hamstrung by archaic personnel, procurement, and budget rules, the FAA finds it increasingly difficult to hire the air traffic control personnel, buy safety technology, and finance its capital infrastructure needs.

Creating a wholly-owned and operated Federal corporation, something akin to TVA or Fannie Mae, the new air traffic control entity would be freed from the Federal government's personnel, procurement, and budgetary rules and able to operate with the flexibility needed to respond to the rapidly changing needs of a dynamic industry.

The FAA has taken its actions in the spirit of reinventing government.

We knew the result would be a leaner, more efficient FAA that could perform its critical aviation missions even better than before.

Let me underscore that FAA's reorganization, and DOT's planned reorganization, were and are designed to make us more efficient. But they were also designed so that they would not compromise our core missions of safety and efficiency more effectively, but with fewer resources.

But now with passage of the recent Congressional budget resolution -- a seven-year plan to balance the budget -- the situation is different, priorities appear to be changing, and we are in danger of having all of our progress undermined.

Congress is proposing budget cuts so severe that one can only conclude that the safety, efficiency, and security of U.S. aviation will be jeopardized.

For the FAA, these cuts could not come at a worse time for they will come when the demand for air traffic services and safety oversight will be growing rapidly.

By 2002, the number of passengers is expected to increase 35 percent -- to more than 800 million per year -- and the commercial aircraft operations to transport these passengers are expected to increase 18 percent to approximately 28 million annually.

The House and Senate's agreed upon budget plan includes \$180 billion for DOT for fiscal years 1996 through 2002.

For FAA, our share of the pot by the year 2002 will be nearly 20 percent less than the funding needed to provide the services expected.

While we still don't know all of the details of how the FAA will be affected each year in the appropriations process, one thing seems clear.

Even with the best possible outcome, the FAA's funding will fall billions of dollars short of the amount we need to provide today's level of service -- let alone provide for future growth.

If we are forced to make do with the current budget projections, it may very well be impossible to maintain the high standards of efficiency and safety the American people now take for granted.

If these budget proposals are adopted by Congress, the FAA will have massive layoffs of controllers, engineers, technicians, safety inspectors, and security specialists -- the safety positions our reorganization had protected during our downsizing initiatives.

For example, between fiscal years 1995 and 2002, the FAA will have to slash the number of air traffic controllers and flight service specialists by 44 percent -- from almost 18,000 to fewer than 11,000.

The FAA will have to close all 92 flight service stations and 277 local airport towers, cutting off most of rural and small-town America from air transportation services, or forcing local communities in all 50 states to assume the cost of those services.

And our ability to respond to urgent needs like those in the New York Center and TRACON will be impossible.

In those situations, we will not compromise safety, but we will have to drastically slow down the system.

Air traffic volume delays due to the reduced controller work force will more than double -- from 47,000 in 1994 to more than 105,000 in 2002.

In addition, by 2002, many small and mid-sized cities will have no FAA maintenance technicians on site.

As a result, unscheduled equipment outages will jump from today's 17,000 to more than 110,000 per year.

The cost of air traffic and equipment-related delays will be staggering for airlines and passengers: more than \$3.7 billion per year by 2002.

If the budget cuts go through, the FAA also will have to cut its security specialists by one-third, making the agency less able to respond to domestic and international terrorism, such as the recent Unabomber situation.

On the technology front, we would have to defer the installation of new weather and windshear detection systems, and new systems to prevent runway incidents.

In addition, the introduction of satellite navigation via the Global Positioning System (GPS) could be pushed back by at least five years. This delayed implementation could cost air carriers an estimated savings of nearly \$5 billion a year.

Dramatic cuts to FAA's budget will also be reflected in the national economy.

Airport improvement (AIP) reductions will eliminate more than 90,000 state and local jobs in communities throughout the nation by the year 2002.

Industries and small businesses that depend on aviation, such as hotels, tourism, fresh foods and flowers, medicine services and overnight delivery can expect heavy job losses.

Ladies and gentlemen, I can honestly say that I have never seen a time like this during my 20-year career in aviation. And I want to underscore that this is not just the "usual" budget crisis that many government agencies seem to experience annually.

The budget proposal on Capitol Hill would push us too far, too fast, in a direction no one wants to go.

Not the President, not the FAA, not the aviation industry, and probably not even the members of Congress -- once they take the time to think through the many serious implications.

The President has already laid out one proposal that would solve most of FAA's long-term financial problems.

I referred to it earlier when discussing the government, not-for-profit corporation to operate air traffic control.

However, because this proposal has received little support in Congress, we are looking to have Congress face up to the implications of their budget proposals and engage them in a bipartisan search for solutions.

Our goals remain the same -- meaningful reform in the areas of finance, personnel, and procurement.

Finding solutions will not be for the faint-hearted.

It will take some tough decisions and some sacrifices by all parties to make this work.

Nothing less is acceptable as we are to make certain that the U.S. continues to have the safest aviation system in the world.

Safety is, and will always be, the FAA's primary mission -- it is the thread running through everything we do.

In fact, we have upped the stakes by declaring a goal of zero accidents, because America expects nothing less.

But to meet this goal, it will take an all-out effort and there is no free lunch when it comes to aviation safety.

I have been heartened that the industry has realized this and are joined with us in a renewed partnership for safety.

Working together -- the FAA and industry -- have reprioritized programs, shifted resources, and focused management attention on actions required to meet the zero accident challenge.

These kind of solid management decisions will serve us well as we take on our budget crisis.

We can make the case that we have downsized and streamlined and that we are applying our resources more strategically and effectively.

But we can always do better.

And that is why I am pleased to participate in this conference today. Each of you, by your attendance today, is engaged in seeking new and better ways to do business.

Your contributions, combined with ours, will help ensure that we have the infrastructure to meet the safety and economic challenges of today and tomorrow.

Thank you.