

**PREPARED REMARKS  
LINDA HALL DASCHLE  
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BLACK HISTORY MONTH CELEBRATION  
FEBRUARY 1, 1996**

I am honored to speak today in celebration of Black History Month and, in particular, its recognition of African American Women. It is always a great occasion when we can join together to celebrate the leadership, intelligence and commitment of these women.

But Black History Month is more than just a celebration. It provides a real chance to learn from those who met the challenges of the past and changed our society for the better. We can learn from the struggles of these heroes of the past — and those of today — and gain strength and wisdom from their example.

Luckily, we have a rich tradition to choose and learn from, especially in the field of aviation, and you'll be hearing about many of our heroes today:

Bessie Coleman, who in 1922 became the first African American woman to earn her pilot's license;

Willa Brown and Janet Waterford Bragg, who as early leaders in Chicago's black aviation community did so much to open the field of aviation to other African Americans;

And Dr. Mae Jemison (MAY JAME-eh-son), the first African American woman to become an astronaut, and the first to fly into outer space aboard the space shuttle Endeavor in 1992.

But no celebration of African American women, coming so soon after Barbara Jordan's death two weeks ago, would be complete without some tribute to her life and legacy.

I had the good fortune to know Barbara Jordan. She was a remarkable American. An attorney, a member of Congress, an outstanding national leader — she was an inspiration to men and women of all races.

Perhaps more than anything else, Barbara Jordan was a teacher. The lessons she taught us, and her passion for education, were as clear and powerful as her legendary voice.

She once said: "What the people want is very simple. They want an America as good as its promise."

America's promise is one of equal opportunity, not discrimination; freedom, not fear; diversity, not division.

For more than 200 years, African American women have struggled to help America fulfill its promise to all of its people. It hasn't been easy, and the



work is far from finished, but an important part of the battle is celebrating and learning from the victories.

When Rosa Parks sat down on a bus in Montgomery, Alabama, and refused to give up her seat, she set in motion a righteous cause that changed the nation and moved us closer to America's promise.

When Maya Angelou (MY-ah AN-ja-loo) stood up at President Clinton's inauguration and offered words of healing and love, she lured us on toward the promise.

Slowly, but steadily, African American women have earned a prominent place in virtually every American enterprise. And every time a woman pushes open the door of opportunity, she is followed by many others.

Exactly 40 years ago today, on February 1, 1956, Autherine Lucy (AR-thoo-reen LOO-see) enrolled at the University of Alabama. Two days later, she attended her first college class. On February 6, after only three days as a college student, she was driven from the campus by a racist mob and expelled by the university.

Autherine Lucy (AR-thoo-reen LOO-see) never got a college education — it was 32 years before the University of Alabama invited her to return — but her courage helped open university doors all across America for thousands upon thousands of African Americans.

When Barbara Jordan died, the mayor of Houston talked about the American ideal and how much Barbara had done to make it real and active in her own life and the lives of other Americans:

“Barbara Jordan furthered that dream, furthered that ideal, for herself, for African Americans, for African American women, for persons of all races in this city, state and country.”

That’s the legacy of Barbara Jordan, Bessie Coleman, Mae Jemison (MAY JAME-eh-son), Rosa Parks, Maya Angelou (MY-ah AN-ja-loo), Arthurine Lucy (AR-thoo-reen LOO-see), and the millions of other African American women who have worked and prayed and struggled *outside* the spotlight. Today, we celebrate and remember these achievements, and we look forward to future victories and accomplishments.

Thank you.

# **U.S. Aviation in the "Age of Possibility "**

*Why FAA Finance Reform is Important*

**THE HONORABLE LINDA HALL DASCHLE, DEPUTY ADMINISTRATOR  
FEDERAL AVIATION ADMINISTRATION**

**UPPER MIDWEST AVIATION SYMPOSIUM, MARCH 5, 1996**

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## **INTRODUCTION**

Thank you, Gary.

I'm delighted to be here today, and in keeping with the spirit of downsizing government, I'd like you to consider my comments today more as a "talk," rather than a "speech."

That's because I'd hate to have anyone compare what I have to say today with some pretty incredible speeches which also happened to be delivered on a March 5th.



Precisely 50 years ago today in Fulton, Missouri, Sir Winston Churchill announced that Russia had drawn an Iron Curtain across Central Europe.

In response, the West created NATO, the Marshall Plan, and began work on the Hydrogen Bomb.

That was a speech.

Precisely 60 years ago today, in the depths of the great depression, President Roosevelt told a worried America that "we have nothing to fear but fear itself."

He also announced the temporary shut-down of the nation's banks, and a host of New Deal programs.

That too, was a speech.

So, if any of you think that's the type of speech you're going to get today, think again and ask Gary for a refund.

When President Clinton gave his State-of-the-Union address a few week ago and announced that "the era of big government is over," something happened -- both parties gave him a standing ovation.

No question about it, we're headed for a smaller government, which leads to the topic I'd like to discuss this today -- *what will smaller government mean for aviation?*

We all know that the Congress and the President still disagree on the details of balancing the budget, but the debate on whether to and when to balance the budget is over.

By the year 2002, America will finally put its fiscal house in order through hundreds of billions of dollars in



cuts, continuing reductions in the federal workforce, and the termination of many federal programs.

Government shutdowns notwithstanding, this administration has taken some pretty big steps in downsizing government and reducing expenditures.

The federal payroll in just the past three years has been reduced by 200,000, and today the federal workforce is the smallest it's been in 30 years.

At the FAA, we're doing our part to support the American people's desire for a smaller and leaner government.

- We've cut our annual budget by \$600 million.
- We've reduced our workforce by more than 5,000, almost all from management ranks.
- Our headquarters staff in Washington has been cut by over 50 percent.
- And, by cancelling obsolete programs like MLS and restructuring our ATC modernization program so that it's back on schedule and within budget, we

have saved you, our customers and the taxpayers millions of dollars.

We knew there were places we could trim without hurting quality -- and we found them.

When David Hinson and I joined President Clinton's team in late 1993, one might say that is was a fairly bleak time for aviation.



- Three of the major airlines were in bankruptcy.
- Eastern and Pan Am were already out of business.
- And the costs of liability insurance had general aviation manufacturing just about shut down.

Fortunately for all of us in this room, it didn't take long for the President to recognize that revitalizing aviation must become a national priority.

Within 60 days of taking office, the President paid a visit to the Boeing plant in Everett, Washington. Within 6

months, he appointed the National Airline Commission, and within one year, he signed the General Aviation Revitalization Act.

Signing the general aviation product liability legislation alone has already helped produce nearly 7,000 new jobs. In Independence, Kansas, Cessna is constructing a brand new single-engine aircraft manufacturing plant.

I'm hopeful and optimistic that our entire industry could be entering a golden era of prosperity. Interest rates are down, inflation is down, and during the third quarter

of last year, the major airlines made over \$2 billion dollars.

That's the best they've ever done.

Within 20 years, Boeing projects that world airline passenger traffic will almost certainly double and perhaps even *triple*.

That would bring us up to a total of *two and one-half billion* air travelers each year -- more than the entire



population of the planet when the Wright Brothers lifted off at Kitty Hawk in 1903.<sup>1</sup>

As lovers of aviation, we are thrilled by these trends. But for the FAA, all of this good news about growth is a mixed blessing.

Don't get me wrong, we want the aviation industry to thrive. It's just that the projected growth in air travel comes exactly at the time the American people are demanding that Washington spend less dollars so that a balanced budget can be achieved in the year 2002.

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<sup>1</sup> Asimov, Isaac, The March of the Millennia, Walker Publishing Co., 1991, p. 154

This chart illustrates our best guess of our future spending based on the trends of the past and the projected aviation growth.

- The number of people using America's airports will grow by 35 percent.
- The number of planes to transport these passengers will grow by 18 percent.
- General aviation activity in the IFR environment will grow by 7 percent.

Then take a look at the white line and the bottom red line. The top one projects our estimated budget requirements, and the bottom is the spending assumptions agreed to by Congress last year as part of their balanced budget blueprint.

The gap between the two amounts to nearly \$12 billion dollars. And let's say we're off by half, that is still a \$6 billion shortfall.

So despite our efforts to do more with less, the question is and the debate becomes "how much more with how much less"?



More planes to certify, more pilots to license, more demand for air traffic control and airport infrastructure will require the FAA to continue to change the way it does its business. But to handle this projected growth will require a total transformation of the FAA in three critical and fundamental ways:

How we employee people, how we purchase goods, and how we finance the agency. It must be a true revolution in the way we do business. It will take time,

but the benefits are great if done right -- for aviation users, the American taxpayer, and the FAA.

Luckily, good progress is being made in two of the three.

### **FAA REFORM**

Late last year, the Congress finally agreed to the Administration's request to exempt FAA from many of the government rules that regulate our personnel and procurement systems.

On April 1, the Administrator will announce our reform initiatives in these two areas. And at the heart of our revolution in personnel and procurement practices is some good old Midwestern common sense.

In the personnel area, we will have more flexibility to:

- Move employees where they are most needed.
- Hold managers and employees more accountable.
- Adequately award high performance and remove poor performers.
- Eliminate automatic promotions for those who are



just punching the clock, and

- Invest in the education and training of FAA employees to make certain they have the knowledge and skills to do their job.

This message will be clear -- more will be expected of the FAA men and women, but in return they can expect fair compensation, and an employer willing to invest the time and money to make their career a meaningful and productive one.

In the acquisition area, we've set up an ambitious goal of reducing the time to buy something by half.



We're rejecting the old FAA "big bang" theory and "it must be invented here" mentality for introducing new air traffic control systems, and instead are moving to systems that can evolve over time and can easily incorporate new technology as it becomes available.

And we're institutionalizing a system that's worked well in our successful revitalization of the Advanced Automation System -- strict cost, schedule and performance controls.

Our goal with these reforms is to become the model federal agency, working better and costing less. It will be

a new and better FAA, and one deserving strong user support.

But our success in delivering these new systems is ultimately linked to achieving the goal of our third and final reform initiative -- a new and better way to finance the FAA.

Unfortunately, last year's legislation stopped short of financial reform.

To make matters worse, the present budgetary stand-off in Washington has led to the total suspension of the aviation trust fund taxes.



That's good news and bad news.

The bad news is that since January 1, the trust fund had been losing nearly \$16 billion a day. As of March 1, the total loss was approximately \$1 billion dollars.

I'm hopeful that there will be a temporary extension of the trust fund taxes, hopefully in the very near future. If there is not, the trust fund surplus will be eliminated by October.

And there will be no trust fund dollars in the bank to help finance our fiscal year 1997 budget which coincidentally begins in October off this year.

That's the bad news. I suppose the good news is that the suspension of the trust fund taxes, along with the balanced budget proposal is forcing a debate.

Is there a better way to secure the necessary financing so that FAA can meet the demands of a growing industry?

I think the answer is most certainly yes.

We'll make the case that the FAA's budget shouldn't be cut. That of all federal programs, this is not the one to cut.

But at the end of the day, the demands of a balanced budget will have an impact on FAA's budget. That's not just my belief, but also the views of the General Accounting Office, the Senate Budget Committee Chairman, the Senate Appropriations Chairman and the Senate Aviation Chairman.

All agree that transportation programs will be dramatically reduced, and that we must figure out a constructive way to address this situation.

Fortunately, there is a bipartisan bill, sponsored by Senators McCain and Ford that would greatly resolve our dilemma.

The bill's goals are simple:

- The vast majority of FAA's budget would finally be "off budget."
- Users would have a greater say on how FAA spends its dollars by the creation of a new industry management board.



- FAA's budget would be independently audited.
- Users, who today don't pay, would.

As it relates to the latter point, let me explain. Today, the FAA conducts, free of charge, several thousand airspace studies of proposed new real estate developments around airports. The McCain/Ford bill would require these developers to pay for the studies.

Today, international airlines operate thousands of flights over the United States using our ATC system, but never are required to help defray the costs of the system.

The McCain/Ford bill would require those airlines to pay their fair share.

Today, the FAA certifies new planes like the Boeing 777 which costs in excess of 100,000 man hours.

We didn't charge a dime to Boeing, but the manufacturer, on the other hand, will earn billions of dollars selling this aircraft. The McCain/Ford bill would require Boeing to reimburse the FAA for receiving the U.S. Government stamp of approval that helps them sell the aircraft in markets around the world.

Those who oppose the concept of fee for services would make you believe that it is simply a cleaver device to get more money. And its true, that user fee revenue would grow as the industry grows, and we charge some users who frankly have been getting a free ride.

But the advantage of "fees for services" versus taxes is that they are outside the budget process. Every dollar raised can bypass budget committees, appropriation cutbacks, and 19 months to get an annual budget. Hence, the ultimate "off-budget" solution.

The only reason to contemplate a new financing system is when it becomes clear that the current one no longer works, when funds raised from aviation will not be

spent for aviation purposes, but instead will build up in a trust fund while rural areas lose Essential Air Service, towers and flight service stations, and needed safety and capacity equipment programs wither on the vine. We have reached that point.

## CONCLUSION

We can do better, and the fees for service concept -- regardless of how much is raised -- offers a path out of the tremendous headwinds of budget politics.

As you can tell, I have no reservations about defending the FAA's need for secure funding. It's my job. I believe



in this agency, and I believe in what it does. And I believe in what it will be able to do for the aviation community, if we have adequate resources.

[Thank you.]

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