



U.S. Department
of Transportation
**Federal Aviation
Administration**

INFORMATION

PREPARED FOR
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ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION
CHICAGOLAND CHAMBER OF COMMERCE
NOVEMBER 1, 1994

Good Morning.

It has been a while since I last attended a Chamber of Commerce meeting. I miss them. So it's good to be back in Chicago. And it's especially good to see so many old friends.

I am in town this week to help celebrate the anniversary of the Chicago Convention. Five decades ago, representatives from 52 nations gathered here to help shape the future of postwar commercial aviation. One of the lasting achievements of that convention was the founding of the International Civil Aviation Organization.

As an agency of the United Nations, ICAO sets the standards and uniform procedures for civil aviation throughout the world. Without it, worldwide air travel would not be as safe as it is today. And the industry would not be as dynamic.

This is the last day of the festivities down at the Conrad Hilton -- where it all began, back in 1944. Of course, it wasn't called the Hilton then. It was the Stevens. And it wasn't the first international aviation gathering hosted by this city. That happened in 1893 -- during the Columbia World Exposition.

So aviation has always been important to Chicago ... and Chicago has been just as important to aviation.

The early success of Octave Chanute's biplane glider experiments along the shores of Lake Michigan prepared the way for the first powered flights on the sand dunes of North Carolina.

Two decades after Kitty Hawk, Bessie Coleman -- a manicurist at the White Sox Barber Shop -- earned a place in aviation history by becoming the world's first Black woman pilot. Because of her race and her sex, she wasn't allowed to take flying lessons in the United States. So Bessie Coleman saved her money and went to France to earn her license.

Another Chicagoan, a lawyer named William MacCracken, drafted the Air Commerce Act -- putting in place the federal agency which later was to become the FAA. MacCracken was also the first person to head what is today the FAA. And he was the first person ever to receive a pilot's license issued by the government.

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The honor was initially offered to Orville Wright. But Orville said he didn't need a license to prove that he was the first man to fly. So pilot license number one went to Bill MacCracken, instead.¹

The Air Commerce Act has undergone many changes since MacCracken's day. And so has the FAA. As air travel has grown, so have we. MacCracken started with a staff of fifty. Today, the FAA is an organization of more than 50 thousand employees.

Bessie Coleman would be astonished to see the extent to which minorities and women are now filling top level jobs throughout the FAA -- a trend which reflects our continuing commitment to diversity. And she would be overjoyed to know that a young graduate of Morgan Park High School -- Dr. Mae Jemison -- has become NASA's first Black woman astronaut.

Commemorative occasions like the one here this week are important because they provide an opportunity to celebrate accomplishments, review our progress, and, if necessary, revise our priorities. This morning, I would like to report on the progress we are making to improve air service in this area. Then I would like to share my views on some of the many important issues we will face as aviation advances into the new century.

Most of us look at issues from a variety of angles. Depending on where we are from, the perspective can be very different. And the viewpoint of someone like me -- having spent a lifetime in the business world -- is very different from the viewpoint of a career government official or elected office holder.

Like many others in the private sector, I've often complained that the government should be run more like a business. But since I went to Washington, I have a clearer understanding of what this means. I see the real contribution which a business perspective can make to the business of government.

I would like to talk about this a bit.

Anyone with long business experience knows what it is to fail. Especially in trying to start new ventures, the risks are high and the market unforgiving of error. Most of us have gotten roughed up by the competition. Some of us have the scars to prove it. Companies disappear all the time. Even some that have been around for generations.

Government is different. There are no free market mechanisms to uproot government agencies and prune back programs which are unresponsive to the public. Or fail to pass basic tests of cost-effectiveness.

¹Komons, Nick A. Bonfires to Beacons, Federal Civil Aviation Policy Under the Air Commerce Act 1926-1938. Federal Aviation Administration, 1978.

Failure is seldom fatal to government.

Productivity is seldom rewarded.

President Clinton and Vice President Gore's initiative to "re-invent government" makes the first determined attempt to change how the bureaucracy works -- to cut away the dead wood and weed out those patches of government which have become sprawling and overgrown. It's an attempt to introduce the disciplined rationality of business to our federal agencies.

And it is one of the most substantial achievements of this Administration.

You don't hear much about it, because the effort has been upstaged by more sensational issues. But the Clinton Administration has been quietly pressing ahead, all the while, to reduce the size of the federal workforce and introduce reforms to increase efficiency and responsiveness.

You have to believe in government to make it work better.

There are a lot of politicians who don't. Those who constantly rail that government is inherently wasteful and ineffectual have very little incentive to try to improve it. Success would rob them of their bread-and-butter issue.

The challenge is not to despise government but to discipline it.

The call is to put less reliance on politics and more on old-fashioned citizenship.

I signed on with the Clinton Administration because I was concerned at what was happening to this country's aviation industry.

I was frustrated that there was so little strong leadership to break the drift and deadlock in Washington.

And I thought that after devoting almost forty years to this business -- through good times and bad times -- I might have something to offer that would help turn the situation around.

I believe I can honestly say that we've seen some real progress in the last two years.

A healthy economy is now fueling a real financial recovery in America's airline industry. A few are even reporting their best quarters ever.

And -- at long last -- we've begun to make a serious dent in the federal budget deficit. It's being cut by 255 billion dollars and will show three straight years of reduction.

The last time that happened was when Harry Truman was in the White House.

These are genuine spending cuts -- not just accountants' tricks.

Much of this is due to the streamlined federal workforce. It's being trimmed by more than a quarter-of-a-million jobs. It hasn't been this small since John Kennedy was President.

In the FAA alone, we've eliminated four thousand positions in 20 months, and are on schedule for cutting another 17 hundred -- all of this without in any way jeopardizing aviation safety. In fact, we're planning to expand our team of safety inspectors.

We've done a lot in two years to re-invent the FAA. But the boldest attempt is yet to come.

The Clinton Administration plans to introduce a bill in the next session of Congress to set up a federal Air Traffic Services Corporation. The new corporation will be outside the existing FAA but strictly subject to its oversight on all matters related to aviation safety.

The air traffic control function is very different from the other work of the FAA. It's in the service business -- operating continuously, day after day, around the clock. And because it is different, it needs its own organization.

The great appeal of the corporation is that it would not have to depend on the federal treasury for money or be captive to the Congressional budget cycle in planning its strategic investments.

It would be free to follow the best business practices -- enabling us to keep up with the rapidly changing needs of the industry, the pace of technological development, and the growth we know is on the way ... both here in Chicago and across the country.

Let me tell you about the pattern of growth that we foresee.

The global population is growing by almost 100 million people every year -- by far the fastest rate ever. You could say that we are adding the equivalent of another New York City every month. Another Mexico every twelve months. Or another China every ten years.²

Given the rapid development and expanding economies throughout much of the world, the potential for aviation growth is clear.

Our aviation forecasts predict that, within the next 10 to 12 years, air travel in the United States will increase 60 percent -- from 500 million passengers a year to over 800 million. The number will be one billion within two decades -- twice what it is now.

²Vice President Al Gore. The Rapid Growth of the Human Population. Delivered before the National Press Club, Washington, D.C., August 25, 1994

Such growth could overwhelm us.

Here in the United States, our 50 busiest airports handle 81 percent of all traffic. Many are already heavily congested. O'Hare -- the busiest airport in the world -- has had more than 100 thousand hours of delay every year for the past five years.

Weather causes most of it ... here and throughout our system. But with the right infrastructure, improved approach procedures, and new technology, even weather delays can be reduced.

By the year 2005, the FAA will invest 32 billion dollars in a capital investment plan to upgrade and improve the entire air traffic control system. We will provide an additional \$1.6 billion dollars in federal grants to improve and maintain the nation's airports. Last year, for example, Chicago airports received about 30 million dollars for this purpose.

Here is a quick overview of some of the modernization programs underway here in the Chicago area.

We are investing 25 million dollars to build a new 260-foot air traffic control tower at O'Hare. We are topping it off with our latest model airport surface detection radar -- the ASDE-3.

I expect most of you have seen the old ASDE-2 in its fiberglass dome on the present tower. We believe it's the only bronze-colored ASDE in the world. Both the color and the design of the dome were chosen by the first Mayor Daley. It has been a landmark from the time it was installed nearly 25 years ago.³

But we don't put ASDEs there just to grace the building. This is the radar that helps the controller manage the movement of aircraft and other vehicles on the airport surface -- safely and efficiently -- and in all types of weather.

The new tower promises to be another landmark. The design complements the new United Terminal -- glass panels and all.

I invite you all to come out when we dedicate it in the Fall of 1996.

Midway is getting a new control tower, as well. Construction started two weeks ago and we expect to open it in late 1996. The cost, I believe, is around 5 million dollars.

³First installed in 1963, the ASDE-2 was relocated to its present position in 1971. FAA Air Traffic Division, Great Lakes Region.

The Autumn of 1996 is going to be a busy season. That is when we will move the Chicago Terminal Radar Approach Control facility to a 15-acre site in Elgin. We've simply outgrown our quarters at the O'Hare tower and need more space for new equipment and controller workstations. The new building is an expensive undertaking -- it is costing about 91 million dollars. But it's a necessary investment to manage one of the busiest sections of airspace in the country.

Both O'Hare and Midway will be getting the Terminal Doppler Weather Radar. This radar can detect microbursts -- the sudden downdrafts that can produce the dangerous windshears that may have been a factor in the accident at Charlotte in July.

In all, the government is investing close to 200 million dollars in the programs I just mentioned. These are only some of what we have planned. But I believe they show our commitment to providing quality air services throughout this region and for all America.

The projects I just described are in the final stages of completion. We are working on many others that are emerging technologies.

One of the most promising is satellite navigation -- using the Global Positioning Satellite Network -- the GPS.

The FAA is moving quickly to make the shift to satellite-based navigation -- a move which will make possible more flexible and direct routings ... and reduced separation between trans-oceanic flights.

We just finished two days of demonstrations at Midway, showing how GPS, coupled with an aircraft's flight management system, can fly unassisted precision approaches. We have already authorized the use of GPS navigation for supplemental navigation and for non-precision approaches.

We will know sometime in 1995 whether or not it can be used for Category III approaches. I am optimistic that it can.

And by the end of 1997, pilots will be able to use GPS as their sole means for navigation throughout the United States and over the oceans of the world.

As we see it today, the three core technologies of the future are GPS for precision navigation, digital data link for error-free computer-to-computer communications, and advanced automation for maximum efficiency and productivity. The airlines expect these technologies will save millions of dollars in lower fuel costs and reduced delays.

But the payoff from our new technologies will remain largely unrealized if our airports are inadequate and outdated.

As it stands today, community concerns about noise, pollution, and traffic congestion can stop airport development in its tracks.

We must find a way, somehow, to achieve a fair and reasonable balance between the concerns of people living near our airports and the growing needs of air commerce.

The FAA, the industry, and local airport authorities are all working together to minimize the adverse impact of aviation on the environment. A major part of our effort is the phasing out of noisy Stage 2 aircraft. We have already accomplished about 63 percent of this difficult task.⁴ Despite their recent financial problems, I believe most air carriers are committed to keeping to the schedules. I can assure you that I am.

We are also collaborating with NASA on extensive research programs to curtail engine emissions and to find new ways to diminish aircraft noise.

Our goal is to reduce airport noise by 80 percent by the end of the decade. What this means is that by the year 2000, the number of people, nationwide, who are significantly affected by aviation noise will number about 400 thousand. Twenty years ago, that number was 700 million.⁵

By any definition, that's progress.

Many local governments have come to recognize that aviation growth in their communities may be seriously thwarted unless they tackle this problem head-on. Certainly, that has been the case here in Chicago.

Your city has invested over 63 million dollars to soundproof nearly 40 schools around O'Hare and Midway.⁶ The program here is one of the most aggressive in the nation.

But you have very much at stake here.

Our forecasts predict that by the year 2005 -- just a decade or so from now -- Chicago area airports will need to accommodate an additional 16 million travelers.⁷

⁴At the end of 1993, the number of Stage 3 aircraft rose to 62.4 percent. 1993 Statistics on the Transition to Quieter Airplanes, FAA Office of Environment and Energy, May 16, 1994.

⁵Information provided by FAA Office of Environment and Energy, October 1994.

⁶Lisa Howard. Department of Aviation, City of Chicago.

⁷FAA Terminal Area Forecasts Fiscal Years 1994-2005, O'Hare and Midway.

You need to grasp the magnitude of that number.

It's roughly comparable to the number of passengers which -- this year -- will pass through San Francisco International Airport ... the fifth busiest in the nation.

Our forecast is based on most reliable information we have. But it assumes that adequate airport capacity will exist to handle this surge of air traffic.

Frankly, I'm worried that we won't have the capacity available when we need it. Not at the rate we're going now.

Past experience across the country tells us that it takes about twenty years to build a new airport. It takes three to seven years just to build a runway. The new one at Salt Lake City took twelve years.

And adding a single runway today can cost as much as we once paid to build an entire airport.

Building an airport takes a lot of time ... a lot of commitment ... and lot of money.

These are some of the reasons why we encourage regional consensus before we begin work on so complex a project.

We had that consensus before we started work at Dallas/Fort Worth and at Denver International. We must have that same level of coordination and cooperation here in Chicago.

And I think we can all acknowledge that the passenger growth we expect here can best be handled by a new Chicagoland airport.

We can postpone final site selection for the moment. That's a really tough decision that can only be made after we've studied the alternatives and agreed on the many factors which are sure to surface.

But before we can proceed with these studies, we must have consensus that this region wants a third airport. There must be an understanding and acceptance of this need by the parties involved in this issue: the States of Illinois and Indiana, the City of Chicago, and any other political jurisdictions which must have a voice in whatever decisions are made.

We cannot delay much longer. Not if we are to be ready for the rapidly rising flow of air traffic which we predict.

The FAA will continue to support efforts to add airport capacity in the Chicago area.

We can be counted on to work closely with the governors and the mayor and other officials to develop a viable plan for the future.

We will install new technology to further improve the safety and utility of your airports.

We will continue to work with the industry and the City of Chicago to pursue noise reduction as a means of lessening community opposition to airport expansion projects.

But the FAA cannot ... the FAA should not ... attempt to impose a consensus. Nevertheless, I am confident that Chicago will find a way to build for future aviation growth -- just as other cities have done.

The new Kansai International Airport near Osaka is built on an artificial island which is the only man-made structure -- other than the Great Wall of China -- to be visible from space.

Chicago's solution, I'm sure, which will show the same vision... the same boldness...and the same imagination.

Thank you.

David:

Here is your speech for the Chicagoland Chamber of Commerce. Below is a brief synopsis of the event. I am also attaching your speech to the 50th Anniversary of the Chicago Convention Conference. This speech also includes a summary sheet.

Sandie

Event: Breakfast Symposium 8:30 a.m. - 10:30 a.m.

Date: November 1

Sponsor: Chicagoland Chamber of Commerce

*Suggested
Length:* Unspecified

Thesis: This talk addresses aviation issues of importance to the Chicagoland area and to the nation

Location: 1 IBM Plaza, 28th floor conference room

Major points:

- The Administrations initiatives to strengthen the economy
- Reinvention of the government.
- FAA streamlining
- USATS
- Implications of aviation growth
- Chicago modernization program
- Airport capacity
- Initiative to relieve aviation noise
- 3rd Chicago airport

Introduction: by Mr. Jerry Roper

TALKING POINTS: THIRD CHICAGO REGIONAL AIRPORT

CHICAGO-AREA AIRPORTS ARE THE BUSIEST IN THE NATION:

- o O'Hare International Airport is the busiest in the world.
 - over 32 million enplanements a year
 - over 850 thousand aircraft operations a year
- o Chicago Midway Airport
 - 2.2 million enplanements
 - 200 thousand or more aircraft operations
- o Forecasted Growth by Year 2005
 - O'Hare: 14 million additional enplanements
(46 percent increase)
 - Midway: 1.8 million additional enplanements
(82 percent increase)

MAJOR POINTS CONCERNING THE THIRD AIRPORT:

- o Why did the FAA withdraw planning funds for the third airport?
 - The FAA had already invested over \$7 million in Phase I planning
 - The State of Illinois requested an additional \$6 million to conduct studies which could eventually lead to construction of an airport in the south suburban area of Chicago. (Phase II.)
 - The FAA set aside \$2 million for Phase II study.
 - The funds were due to expire on September 30, 1993.
 - FAA withdrew the funds after it became clear that the parties would not reach consensus before the funds expired.

- o Why is regional consensus needed?
 - The FAA cannot mandate that a new airport be constructed. That responsibility lies with the potential airport sponsors.
 - A proposal of this magnitude requires financial and other cooperative commitments that can only be obtained by inclusion of the States of Illinois and Indiana, as well as the city of Chicago.
- o What does "regional consensus" mean?
 - Concurrence by the States and the City of Chicago that a need exists for a third regional airport to serve the Chicago metropolitan area;
 - Agreement that continued planning is necessary to meet that need;
 - Acceptance that the parties work together to allocate costs and benefits related to any airport development proposed.
- o Does regional consensus require agreement on a specific site?
 - No. Regional consensus need not include agreement on a specific site. Nor is naming a preferred location, by itself, a sufficient reason for any State or city to oppose participation in planning efforts.
- o O'Hare and Midway are operating safely. Projects are underway which will further improve the high levels of safety and reduce delays.
- o DOT and FAA continue to support the need for additional airport capacity in the Chicago metropolitan area and will continue to work closely with the States of Indiana and Illinois and the city of Chicago to explore options toward that end.

CACI
Issue paper

CHICAGO, ILLINOIS

Revision Date: October 14, 1994

LOCAL/CITY ISSUES:

- The city of Chicago was awarded a \$27 million AIP grant in September 1994 to build a taxiway and aircraft de-icing facility. The Suburban O'Hare Commission opposed the projects.
- The proliferation of low-fare startup carriers is making a big difference at Chicago. The city says aircraft operations at Midway Airport have more than doubled since January 1992 with the addition of carriers such as Kiwi, Midway, ValuJet, American Trans Air and Southwest. Prices continue to drop, in the Washington National-Chicago O'Hare market during the past year, for example, they are down from at least \$350 roundtrip to as little as \$89.
- The City of Chicago held a hearing on its proposed Part 150 Noise Compatibility Program August 30, 1994. The \$72 million program contains \$46 million for home sound insulation, \$20 million for school sound insulation, \$3 million for home purchases, and \$3 million for several other efforts. The program proposes to retain the existing night time noise abatement measures to minimize shifts in noise, with some minor refinements in some departure tracks. The state of Illinois has requested 6 months to review the study.
- ICAO, in cooperation with the FAA and McGraw-Hill, is planning a major international 3 day event in Chicago to commemorate the 50th anniversary of the opening of the Chicago Convention. The event will be held October 30 through November 1, 1994. The planners would like to have the President give the lunch address on November 1. The FAA is planning 4 days of GPS flight demonstrations at Midway Airport as part of this event. (RB)
- A new 260 foot air traffic control tower will replace the current 197 foot tower at O'Hare Airport. Construction started in June 1993. The facility and equipment will cost \$25 million. The new tower should be operational in 1996. (RB)
- The Chicago Terminal Radar Approach Control (TRACON) facility will be relocated off O'Hare Airport to a 15 acre site in Elgin, Illinois in order to provide the additional space that is required by operational requirements. Construction started in April 1993. The facility and equipment will cost \$91.5 million and will employ 180 controllers and technicians. The new TRACON should be operational in 1996. A project office has been established for the tower and TRACON projects. (RB)

- A study of the Chicago metroplex airspace is currently underway. Results are expected in 1995. (RB)
- Flight Management System (FMS) approach and departure paths are under study for the Chicago area.
- APO-200 has begun a comprehensive examination of the High Density Rule to assess its viability as an efficient air traffic and delay management tool and to determine whether certain operating limitations imposed by the rule can be eliminated or modified to better utilize airport capacity. Put in place nearly 25 years ago as a "temporary" measure to deal with airport congestion, the High Density Rule today limits the number of airline operations at four major U.S. airports: Chicago O'Hare, New York's LaGuardia and JFK International, and Washington National. APO is assessing capacity at these airports and the impact of the rule on airline competition, fares and service patterns. It also is evaluating the rule's economic, financial and environmental implications, including the process for allocating domestic and international slots and alternative traffic management techniques such as peak-period pricing. In the April 1, 1994 Federal Register the FAA solicited comments on the effectiveness and viability of the high density rule. The FAA study is scheduled to be completed by November 1994. (RB)
- The City of Chicago has announced plans to close Meigs Field and replace it with a park (possibly a National Park). Meigs is located on a 76 acres man-made peninsula in downtown Chicago. The airport was named after Merrill C. Meigs, Chicago aviation pioneer, and former publisher of the Chicago American newspaper. The Department of Aviation's lease from the Park District expires in September 1996. (RB)

Meigs Field primarily serves corporate and business aviation aircraft, many of which are coming to Chicago to attend events at McCormick Place. Meigs has flights to Springfield by United Express and TWA Express. In 1992 Meigs had 48,046 aircraft operations, and served 148,000 GA passengers and 23,000 commuter enplanements. The FAA has invested \$4.3 million in AIP (and the older ADAP and FAP) funds in Meigs. The AOPA and EAA have voiced strong opposition to the city's plan to close Meigs. An analysis by the city indicated that delays at Midway would increase from 4 to 12 minutes per operation if 50% of the Meigs flights relocated to Midway Airport. The city has not made a formal request to the FAA to close Meigs.

The City of Chicago has accepted Federal grants of funds to develop the airport. The last grant was issued in 1989. Each grant includes an assurance that the airport owner/sponsor will keep the airport open to the public. This assurance is usually considered to be satisfied after 20 years.

- An FY-96 budget item has been submitted and accepted for an ASR to provide additional coverage north of O'Hare with a remote feed to the new Elgin TRACON. (RB)
- An Airport Surface Detection System (ASDE-3) is planned for O'Hare in 1996 on the new air traffic control tower. We are currently developing a plan to install a second ASDE-3 at O'Hare to accommodate future radar coverage requirements based on the O'Hare Delay Task Force Study. (RB)
- Two Terminal Doppler Weather Radar (TDWR) systems are scheduled for the Chicago area. One will serve O'Hare and the other will serve Midway. The O'Hare system should be operational by December 1994. The Midway system should be operational by December 1995. Each of these systems cost about \$15 million.
- A new major activity level Air Traffic Control Tower is being planned for Midway Airport. Construction should start in October 1994, and will cost approximately \$5 million. The new tower should be operational by the end of 1996. (RB)
- UPS opened a regional air sorting hub in the Rockford on October 7, 1994 with 300 employees and 16 flights a day. UPS said it will convert an existing building at the Greater Rockford Airport into a 200,000-square-foot sorting facility with a capacity of 30,000 packages an hour. Expansion plans call for additional employment and 10 more aircraft by 1996.

The Greater Rockford Airport intends to construct an apron and extend Runway 7 from 6,500 feet to 10,000 feet to support UPS and other cargo development. (RB)

The Rockford Tower will begin 24 hour a day operations on October 2, 1994.

- Supplemental Airport Study (RB)
- Phase I of the Supplemental Airport Site Selection study began in 1989 and was completed in February 1992 with the selection of the Lake Calumet site by the Bi-State Policy Committee. The study cost \$7.34 million in AIP funds.

In June 1992 Mayor Daley withdrew the Lake Calumet site from further consideration due to the failure by the Illinois Senate to pass supporting legislation.

In November 1992 the Governor of Illinois proposed further study of a site near Peotone for the supplemental airport. This proposal was linked to a cap on operations at O'Hare and a new runway at O'Hare to reduce delays.

In January 1994 the state of Illinois allocated \$2 million to restart the study of a supplemental airport in south-suburban Peotone. The state studied 4 possible sites over 6 months (the Gary and Lake Calumet sites were not re-examined). In July

1994 the state released the results of the study which indicated the need for a new airport near Peotone.

The State of Illinois has committed \$6 million to completing the Master Plan study for the Supplemental Airport including an Environmental Impact Statement. The state expects this phase of the study to be completed by January 1996. (RB)

- In December 1993, Mayor Daley announced that the city of Chicago is engaged in pre-design work for one or more new runways at O'Hare to ease weather related delays. The city expects to hire a consulting firm to begin the actual design work sometime in 1994. Suburban officials are concerned about the possible noise implications of any new runway. They are reported to consider funding for a supplemental airport in Peotone and a cap on O'Hare operations as necessary conditions for their support for the new runways. (RB)
- A RIF is proposed for 78 air traffic assistants (ATAs) in January 1995. The RIF will cover 4 centers and 16 towers in the region. ATAs and other employees in the following air traffic locations may be affected by the RIF: Chicago Center, O'Hare ATCT, Aurora ATCT, DuPage ATCT, Midway ATCT, Palwaukee ATCT, Regional Office, Moline ATCT, Peoria ATCT and Springfield ATCT.

STATE ISSUES:

SCOTT AFB JOINT USE

- The state of Illinois and St. Clair County plan to develop new facilities at the Scott AFB to support commercial passenger and cargo operations. The \$313 million expansion includes construction of a new runway. The FAA is supporting the development with a \$140 million Letter of Intent (LOI). (RB)
- A \$5 million FY-94 grant was issued in June 1994. An additional \$9 million grant is anticipated in September 1994.
- The FAA commissioned an ASR-9 at Scott AFB in August, 1994.
- A full instrument landing system (ILS) and light system were submitted in the FY-94 F&E budget. The ILS was deferred for FY-94, but is still a valid project in the FY-95 F&E budget. If funded in FY-95, the ILS could be operational when the new runway opens in October 1997.
- The airspace takeover from Scott AFB to the FAA St. Louis TRACON is planned for mid 1994.

- The existing Air Force air traffic control tower will require relocation in order to provide air traffic control services for the new runway. Presently the air traffic control tower relocation is in the planning/preliminary design phase. Funding for the relocation is included in the LOI.

BLOOMINGTON

- A new major Runway 2/20 is scheduled for completion at Bloomington, Illinois in December 1994. This is planned to be the primary instrument operation runway at the airport and qualifies for an ILS based on the traffic counts. We currently have no F&E ILS equipment for this site because the national contract for Cat I ILS systems was canceled and rebid. We are currently studying other ways to meet this requirement.
- A \$3.8 million PFC was issued to Bloomington in August 1994. The funds will be used for an access road, land acquisition, and improvements to the baggage claim system.

ALTON

- In February 1994 the FAA announced plans to convert the FAA Air Traffic Control Tower at Alton, Il to a contract tower. The contractor is expected to begin operating the Alton tower in October 1994. Contract towers are already in operation at Marion and Waukegan, Il.

OCT 28 1994

David,

Here is your speech for the Industry Report-Out session. Below is a synopsis of the session.

Sandie

Sandie

Event:	Industry Report-Out Session
Date:	November 2, 1994
Place:	Hyatt Regency Hotel, Crystal City, VA
Forum:	Report to the Industry on FAA Strategic Plan Accomplishments
Suggested Length:	10 minutes
Other Speakers:	FAA Program Managers
Media:	None
Thesis:	FAA has made great progress in its Strategic Plan initiatives
Major Points:	Strategic Plan Accomplishments Future of the Industry Technological Advances in ATC USATS

Remarks by David R. Hinson
Administrator, Federal Aviation Administration
November 2, 1994
Hyatt Regency Hotel
Crystal City, VA

Good morning. I am delighted to be here among so many friends and colleagues from the aviation industry. And, I am really pleased to be here to report on our accomplishments in support of the FAA Strategic Plan -- a Plan you helped write.

But, before we go any further, I want to give you a quick overview of the status of the milestones we set for FY 1994. I think you will agree we've made important progress -- I know I was pleased when I saw the statistics. Of the original 168 milestones, we have completed 89 -- over 50 percent. Another 44 are scheduled to be completed by the end of calendar year 1994. And because of the evolving nature of our industry, and because situations change, four of the original milestones have been simply overtaken by events and are no longer pertinent. That leaves only 31 milestones which we intend to complete in 1995. By any measure, this is a commendable achievement.

As we all realize, the fates of the aviation industry and the FAA are interdependent. One cannot thrive unless the other succeeds. Both the Airline Commission and National Performance Review understood that relationship, and cited the need to restore the economic health of the industry. That is why we, the FAA and the industry, developed a plan that is both technically focused and strategic, and runs the gamut from implementing the agency's operational concepts to meeting capacity needs using advanced technology intelligently.

The Agency's strategic planning efforts represent a new way of thinking for us, and requires us to operate more like a business. In addition, the plan sets forth measurable goals and objectives which establishes FAA's strategic direction into the 21st century.

As you will recall, with safety always our primary objective, the main themes of the plan are to increase system efficiencies, agency responsiveness and effectiveness, and improve performance. And, everyone from top agency executives to operational managers are committed to meeting the individual milestones, because they represent our future.

Since this is also your plan, part of our commitment to you as we embarked on this deliberate planning process was to give you a status report -- and that is why we are here today.

As you know, we have established clear points of accountability for each objective and milestone in the plan. We built accountability into performance standards, and senior executives report on the progress quarterly. I can assure you this plan has not languished on shelves in our offices and facilities. We intend to ensure this plan remains the blueprint for shaping our future.

Furthermore, to keep us honest, and to ensure that steady progress is maintained, our Office of Aviation Policy, Plans, and Management Analysis has established a system to track all milestones and their status.

Today, FAA executives will describe in more detail our achievements and progress in achieving those milestones. You will hear specific accomplishments in each of the major areas.

And, as we did last year, we will once again ask you for your input on planned milestones for future years -- 1995 and beyond. Ours is a partnership, and we must continue to work together for the benefit of the industry.

In a moment, you will hear today's panel members discuss some of our accomplishments. But first, let me highlight for you what I consider to be some of our most substantial achievements.

We estimate that within the next two decades, our air traffic control system, airlines, and airports will handle nearly twice as many passenger as we do today. I find those numbers staggering. Those statistics makes it even more evident that with the increase in air traffic it becomes crucial that we look to the advances provided by new technology.

As many of you are aware, George Donohue recently became the FAA's new Executive Director for Acquisitions. In an effort to make the agency's acquisition process more cost effective, timely, and coordinated, we have reorganized the research, development, and acquisitions functions of the agency. George will oversee all procurement, systems development, and research and development functions in the agency. One of his first priorities is to ensure that all research and development activities are effectively integrated with the agency's major line functions.

A large part of his effort will be to get the Advanced Automation System (AAS) back on track. As you know, we have canceled or modified portion of our advanced automation system (AAS). We conducted a thorough review of AAS programs, and decided to cancel the Area Control Computer Complex (ACCC) and the Terminal Advanced Automation System (TAAS). This overhaul of AAS is expected to save the industry and FAA a considerable amount of money.

In the meantime, work continues on other systems which will move our air traffic management system into the 21st century. For example, development of the digital data link system continues at a rapid pace. This system is designed to be the primary air traffic control communication system of the future. It is what I refer to as a core technology, one that will lead us into the next century. To transmit predeparture clearances, data link computers are already in use at 31 airports. It is anticipated that this number will increase to 60 within a few months.

The FAA is also working with NASA to test the Center-TRACON Automation System (CTAS). When fully operational, CTAS will optimize aircraft movement and improve air traffic control effectiveness by 10 to 15 percent.

Perhaps the technology that I find the most amazing, and the one that appears to be the most promising is the Global Positioning Satellite Network -- GPS.

The FAA recently staged several GPS demonstrations in cooperation with industry and academia-- one involving United and Stanford University and another with UPS and Ohio University. Those tests showed how GPS, coupled with an aircraft's flight management system, can fly unassisted precision approaches. I cannot tell you how pleased I am with the outcome.

In addition, we have recently authorized GPS for supplemental navigation and for special Category I approach and landings. And, we envision that GPS will eventually handle terminal, en route, and airport surface operations. As GPS is incorporated into our air traffic control system, more and more carriers will be able to benefit from more precise routing, fuel savings, and increased airport capacity in foul weather. Furthermore, GPS will save the airline millions of dollars on fuel, enhance all-weather performance, and allow airports to handle traffic in the most effective manner.

FAA is probably even more committed today, than it was in the past, to modernizing the national airspace system. Between 1982 and the year 2005, the FAA will have invested \$32 billion dollars in a capital investment plan to replace its aging equipment and to upgrade and improve the entire air traffic control system. We will invest an additional one and a half to two billion dollars each year in airport grants -- to build new runways, taxiways, and aprons. And to combat the problems of aviation noise and pollution.

Given the ongoing research and development designed to enhance safety, combined with an economic resurgence of the industry, the potential for aviation growth becomes ever more clear.

Our aviation forecasts predict that within the next 10 to 12 years air travel in the United States will increase by 60 percent, from 500 million to over 800 million passengers. This projected growth is certainly welcome news. However, such dramatic growth points to an additional future problem -- airport capacity.

But, our goal to move aircraft safely, effectively, and efficiently may be hampered if airport improvements do not, or cannot, respond to the new improvements in air traffic control technology.

Compounding the capacity difficulties are environmental regulations, financing problems, and legal disputes, not to mention civic action which can stop airport development cold.

As a result, opening airports will become more difficult in the United States, and augmenting existing airports will become strained. Therefore, we must turn our attention to expanding capacity at the existing high volume airports.

In September, we announced the award of an additional \$950 million in nationwide grants to address further capacity problems. A major portion of the funds have been committed to building runways -- a vital link in adding greater takeoff and landing capacity at large hub airports.

In addition, I have established within the Agency a Council on Capacity, co-chaired by Monte Belger, Executive Director for System Operations and Cynthia Rich, Assistant Administrator for Airports.

This council will review capacity issues, and examine methods that will accelerate implementation of specific capacity projects. Monte and Cyndi will discuss the capacity issues in more detail shortly.

I think we all realize that failing to increase airport capacity could jeopardize the economic viability of the industry. These are investments we can't afford not to make. To this end, timely and effective responses on the part of the government are essential if we expect to handle the ever growing demands and volume of air traffic. If we cannot meet that challenge, all of this progress is meaningless.

Hence, it is essential that FAA operate like a smart business to achieve its goals. The current rigid procurement constraints and budget regulations have made keeping pace with technological development difficult. This archaic approach to business can no longer be our standard operating procedure.

As you know, Senator Wendall Ford, and Congressmen James Oberstar and Joe Barton have all introduced legislation that addresses reforms for the FAA.

But the Clinton Administration has a better solution. The most viable proposal is the establishment of an independent air traffic control corporation outside the existing FAA with oversight on all aviation safety matters. And, the Administration plans to have the USATS legislation introduced in the next session of Congress. We are getting it ready now.

But, no matter what reforms are introduced or implemented, we will never operate like a smart business if we cannot control our funding. And, I believe that we cannot achieve our objective through internal reforms.

Our Fiscal Year 1995 budget request is \$500 million less than we had in fiscal year 1993. We can't afford to do business the way we have in the past -- and that's fine with me.

Today, you will hear of our many accomplishments, and you will also see that we have had some disappointments. I can assure you though that we will not rest on our laurels, the uncompleted 1994 milestones will be completed in 1995.

Thanks to a dedicated cadre of talented employees, the agency has made progress in "switching gears," to become what we set out to be, more customer-focused, more mission-conscious, mission-oriented, and more business-like. Our smart business approach will help secure this country's leadership in global aviation and stimulate a resurgence in the economic health of this industry.

I am anxious for you to hear our report, and I look forward to your participation in today's session.

Thank you.

**REMARKS FOR TOWN HALL MEETING
FAA ADMINISTRATOR DAVID R. HINSON
FAA AUDITORIUM, 2:30 to 3:30 P.M.
NOVEMBER 2, 1994**

Good afternoon and welcome to the FAA town hall meeting.

Now that these sessions have become regular events, I think most of you know how it works.

I talk first. Then it's your turn.

I know that many of you have lingering questions about buyouts, RIFs, the U-SATS Corporation and a whole host of other concerns. I want to address those with you this afternoon.

But before I begin, I'd like to say a couple of words about Monday night's tragic accident that left all 68 aboard American Eagle Flight 4184 dead...

**** (HINSON TO SPEAK EXTEMPORANEOUSLY ABOUT THE ACCIDENT)**

The people here on the stage with me are all very much involved in what we will be discussing today. Let me introduce them to you.

(George Donohue, Executive Director for Research and Acquisitions; Leon Watkins, Assistant Administrator for Civil Rights; Kay Frances Dolan, Director of Personnel; and Carl Schellenberg, Agency Streamlining Coordinator.)

The FAA has just completed one of its most eventful years in over a decade. It was a year that demanded action and we responded. I'd like to take a quick look back at some of those events for they will continue to shape our future for many years to come.

When I arrived at the agency 15 months ago, much of my work had already been cut out for me.

(Graphic: Advanced Automation System)

Run-away cost increases and mounting delays had undermined the advanced automation system and eroded the public's confidence in the agency's modernization program.

(Graphic: FAA Finances)

The FAA's budget imposed spending cuts greater than any it had ever experienced before. We were facing our first "hard-freeze" budget in more than ten years.

(Graphic: Airline Commission Report
NPR)

And two reports were waiting on my desk. One was the report from the National Airline Commission. The other was Vice-President Gore's National Performance Review. Both contained recommendations which required an immediate response.

We are now acting on 50 of the Commission's 61 specific recommendations. These range from our proposal to create the USATS Corporation ...to our latest efforts to accelerate the use of GPS for satellite navigation.

And in the past few months, the advanced automation program has been totally overhauled and scaled back to the essentials. Under the management of George Donohue, it is now on a solid, business-like footing.

In fact, throughout the FAA, we are becoming as lean and efficient, and as customer-oriented as the best-managed American businesses.

(Graphic: "Streamlining")

In the past 20 months, we've reduced employment by four thousand persons --while in no way undercutting our ability to maintain the highest standards of aviation safety.

Many of our people retired. But the big majority -- 2600 or more -- took advantage of the buy-out offer this Spring. The buy-outs helped us avoid many painful R-I-Fs ... and opened up advancement opportunities for the workers who remained.

We've made a good start, but we've still got a lot left to do.

Our budget for fiscal year 1996 -- which we just finished putting together -- is half a billion dollars less than our budget for fiscal year 1993.

And, in order to meet the NPR goals set for us by 1999, we must eliminate another 17 hundred to two thousand positions.

All of our organizations have developed serious, carefully considered streamlining plans. The Department is reviewing them now, just to make sure that our goals match those of the NPR.

I'm confident that they will.

We have made every effort to achieve our goals by re-engineering functions and downsizing through voluntary measures -- like normal attrition ... early retirements ... and carefully targeted buy-out opportunities -- which I'll talk about in a moment.

I wish I could promise you there will be no R-I-Fs -- but I know we can't avoid them altogether. What I can promise is that they will only be used as a last resort.

(Graphic: "Buyouts")

Many of you have asked us about buyouts -- if we will offer them again...and why Airway Facilities personnel can have them when others cannot.

The answer is we have no plans to offer another FAA-wide buyout.

But we may ask for approval to offer targeted buyouts to help specific organizations meet their goals for streamlining.

That essentially is what happened in Airway Facilities. Their streamlining plan has already been approved. Once it became clear they could not reach their objectives through normal attrition and early-out incentives, we sought and received additional buy-out approval for them.

This is a limited buyout, restricted to the staffing targets which AF must meet by September 30, 1995. This makes the buyouts available only for the first 242 eligible AF employees. People accepting the buyout must leave by December 31 -- otherwise, the savings simply wouldn't justify the offer.

In other words...the salary savings offset the cost of the buyouts.

(Graphic: "Performance Awards")

This is very similar to the situation with performance awards, but with an added complication.

I'll try to explain this as best I can.

Initially, we delayed all cash awards until after October first to provide funds for other critical programs. Then the Congress cut back the amount of money available, Department-wide, for awards paid in fiscal year '95. We are waiting to hear what our share of this reduced pot will be.

That should happen soon. When it does, we will come up with a plan that is as fair as we can possibly make it.

(Graphic: "Diversity")

Doing what is right and fair for all employees is very important to me. I am fully committed to making the FAA a workplace that welcomes everyone. My goal, Linda's goal -- and that of everyone on the FAA management team -- is a work environment that respects not only the differences...but the dignity of every employee.

Diversity training is an essential step in achieving this goal.

You have heard reports that, in the past, there may have been instances where some participants were subjected to acts of harassment. If true, such abusive behavior was obviously incompatible with the purpose of the training and cannot be condoned.

I believe we still need an on-going diversity training program within the FAA, and it will continue. But there will be strict guidelines to make certain that our training is both appropriate and effective.

(Pause)

(Graphic: USATS Corporation)

Let me sum up, quickly, where we stand on the USATS corporation.

If it appears to some of you that we have dropped the idea of the corporation, that is not the case at all. All of us -- starting with Vice President Gore -- are firmly committed to this proposal.

The Clinton Administration plans to have the USATS legislation introduced in the next session of Congress. We're getting it ready now.

As some of you may be aware, Senator Wendell Ford, Congressmen James Oberstar and Joe Barton have all introduced bills that address many of the same concerns as the USATS proposal.

All of this activity surely signals changes to come. And we should welcome change.

We know how to manage air traffic better than anyone in the world. But as part of the federal government, we are caught up in our national dilemma: how to meet our growing obligations with ever shrinking resources.

As I have said many times, what we need is an organization that is free to follow the best business practices -- one that lets us keep up with the rapidly changing needs of the industry, the pace of technological development, and the growth we know is on the way.

(Graphic: New AXA Organization)

In the meantime, we will continue to look for ways to streamline our organization ... to make it more responsive to our customers and to speed the introduction of new products.

One such plan involves a new headquarters organization to manage procurement, research and development. I'd like to ask the new Executive Director for Research and Acquisitions George Donohue to tell you about it.

(DONOHUE SPEAKS FROM HIS SEAT AND, UPON CONCLUSION, TURNS IT BACK OVER TO HINSON).

(Graphic: Employee Recognition Day, November 3, 1994)

I would like to close my remarks with this reminder. Secretary Peña has declared tomorrow, November third, Employee Recognition Day. I'll take this opportunity to say thank you to everyone out there for helping make this agency such a very special place.

The evidence is indisputable that the FAA's performance in safeguarding the traveling public, every hour of every day, is unsurpassed anywhere in the world. This would not be happening without your dedication and professionalism.

I commend you all.

Now, let's hear from you. The number is on your television screen. While you're placing your calls, I'll take the first question from the audience.

Sign Off Remarks:

I wish we could take more calls, but we've run out of time. I look forward to hearing from you at our next meeting.

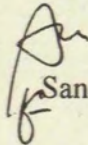
Thank you again for joining us and good afternoon.

OCT 28 1994

Not given

David,

Here is your speech for the Retired Air Line Pilots Association. Below is a synopsis of the session.


Sandie

Event:	Dinner Speech
Date:	November 3, 1994
Place:	Dallas Parkway Hilton, Dallas, Texas
Forum:	Retired Airline Pilots Association
Suggested Length:	10-15 minutes
Other Speakers:	None
Media:	No media coverage
Thesis:	Retired pilots are necessary to act as mentors and teachers to student pilots
Major Points:	State of the Industry Importance of Pilots Mentoring Young Pilots



U.S. Department
of Transportation
**Federal Aviation
Administration**

INFORMATION

Remarks by David R. Hinson
Administrator, Federal Aviation Administration
Retired Air Line Pilots Association
Dallas Parkway Hilton, Dallas, Texas
November 3, 1994

not given

Thank you for that nice introduction, Joe. It's good to be here in Dallas/Ft. Worth, and it's good to be here among friends. There is no better way to spend an evening than to be with a group of pilots reminiscing about the past, and contemplating the future.

For a change, it wasn't hard for me to decide what to talk about tonight. As retired airline pilots, I know you are keenly interested in what's going on in the world of air transportation, and are curious about the outlook for the future of aviation.

As you well know, the air transportation industry in the United States has always been considered the world's leader. The industry is a diverse one that embraces scheduled and non-scheduled airlines, regional carriers, and air taxis. And, despite the current economic recession, a deregulated industry, and rapidly increasing international competition, there are still approximately 6,200 aircraft in the U.S. airline fleet.

Although technological advances have reduced the size of the average airline flight deck crew to less than three, the overall fleet still requires more than 135,000 professional pilots. And our forecasts tell us that things should steadily improve for the industry.

The FAA has been producing annual aviation forecasts for about 35 years. And while we don't claim to be able to predict the future, our forecasts are among the best. Our experience with forecasting constantly reminds us that aviation, over the long term, is highly sensitive to variables such as population growth and the level of economic activity. What we think might happen tomorrow can only be based on what we think is happening today.

But, the United Nations reports that by the year 2050 -- the world's population will number eleven and a half billion. About twice what it is today. More than 35 percent of the world's population will live in Asia -- more than 50 percent if you include India. Over the next decade or so, the GDP in Japan, Australia, New Zealand, and the Pacific Basin will grow about 4.5 percent a year -- a full two points faster than growth predicted in the United States and Europe. Latin America, where another ten percent of the population will live, is also beginning to realize its economic potential.

Aviation is already reflecting this global shift in economic resources, and we can confidently predict that the present trends will fundamentally reshape our industry in the years to come. Over the past 15 years, passenger traffic in Asia grew nearly 50 percent faster than the worldwide rate. It will increase even more rapidly during the next ten years. And dramatic growth in passenger traffic leads to equally exciting increases in aircraft sales.

No industry more dramatically reflects the shift from national to international operations than aviation. Joint ventures and multinational agreements are becoming the rule rather than the exception in everything from aircraft manufacturing to airline operations. Aircraft today can be built in one country for owners in another nation, be operated on a lease in a third country, maintained by a firm in a fourth country, flown by a crew in a fifth country, and operate through the airspace in several other nations.

So things are getting better, and business looks good for the future. I should know, I've experienced it all -- from general aviation to commercial transport -- in the good times as well as the bad. When I graduated from the University of Washington in 1955, about three and a half million people traveled back and forth between the U.S. and foreign countries. And, more than a third of them booked passage on the great ocean liners which were still in service. Just three years later, in 1958, four and a half million people took overseas trips and nearly three-fourths of them traveled by air. Looking back, I realize that this was one of the major turning points in the history of American transportation, as ocean liners gave way to airliners...and turboprops were replaced by Boeing 707s and 720s -- and by the Douglas DC-8. I've watched aviation grow from 35 million passengers in 1955 to 473 million in 1993. And, I expect to be around to see it reach the 800 million mark which we are forecasting by the end of this decade.

All of you here have also seen this growth firsthand. Many of you came in with the DC-3, one of the most successful aircraft in history, and left as pilots of DC-10s, the first transport certificated by FAA to meet the reduced engine-noise levels for takeoff, approach, and taxiing operations specified in Part 36 of the Federal Aviation Regulations. You were there when the first passenger jets were introduced in the mid-fifties. The mid-fifties and early sixties were exciting days for American aviation. Everyone was optimistic and full of enthusiasm. A lot was happening and it was happening fast. But it was also a time of turmoil and uncertainty. The greater the adventure the higher the risk. And no one could be certain which risk would pay off. It was an exciting time to be a pilot. Technology was changing rapidly, and it was a challenge to meet the demands of a growing and prospering industry.

I think those days are coming back. For example, no technology has captivated our industry more than the promise of satellite navigation. The Global Positioning System -- GPS -- offers enormous promise. It makes possible a level of precision and global availability which no other existing navigational system can provide. With GPS, aircraft can make curved approaches to airports, fly more time and fuel efficient routes, and obtain positional information anywhere in the world. The FAA has made GPS an integral part of our National Airspace System. And we are committed, as an agency, to bring the benefits of this technology to users as quickly as possible, because GPS will provide a safer, less costly, and more efficient navigation system.

Today's technological advances have also helped to create amazing new aircraft. It's hard to imagine, but cockpit computers now can generate graphic representations of flight data on multiple screens which can present a variety of information simultaneously -- including route and destination charts, and real-time color weather maps. Even more astounding is that most new aircraft being delivered today are equipped with a flight management system which uses microprocessors to collect, analyze and transmit information -- and even to make decisions based on this information.

But despite such advances, we still rely on the pilot to make the critical decisions. In our system, the pilot is the most important factor in the safety equation. Make no mistake about it. However technologically advanced aviation becomes, the pilot is, and will remain, the major factor in aviation safety. We just cannot automate the human being out of the equation. And, in my view, we shouldn't, even if we could. We will always need well-trained pilots.

In fact, over the next ten years, the industry will need to hire more than 35,000 new pilots--if we are going to replace those lost through retirement and attrition, while at the same time accommodating the growth we expect to occur. According to our own projections, and those of the Bureau of Labor Statistics, the need for civilian pilots will grow at a far faster pace over the next decade than for any other occupation. Last year, the FAA released a study on pilots and maintenance technicians which predicted a possible future shortage of these experienced personnel. It is frightening to think that in the future we will not have enough outstanding pilots who are able to meet the challenges of the complex aerospace system of the future.

There are now approximately 100,000 fewer pilots in this country than there were 10 years ago. Fewer people are learning to fly. There are few student starts and fewer licenses being issued. The high cost of flying is a major detriment to those who want to learn to fly. Private airplanes are expensive to purchase, expensive to operate, and expensive to insure. And the cost of flying instructions is more than many people can afford.

In the past, the military supplied the vast majority of pilots for the air carriers. In fact, many, if not most of us here this evening, earned our wings in the military and moved into commercial aviation after we left the service. But we can't continue to be so

dependent on the military. It costs somewhere between four and six million dollars to train a fighter or bomber pilot. And in an era of diminishing military requirements and tightening defense budgets, we must anticipate the need to soon find alternative sources of pilots.

I realize that many of you think we can solve the future pilot shortage problem by eliminating the Age 60 rule. However, since the FAA intends soon to release information about its decision regarding the Age 60 rule, I really think it would be inappropriate for me to discuss the matter this evening.

Meanwhile, we have all had good careers with the airlines, yet our careers don't have to end now that we've retired from service with the air carriers. We need well-trained pilots, and we can still provide an invaluable service to the airline industry as teachers for our new generation of pilots.

Tomorrow's pilots will be a diverse group, as we move from the traditional sources of pilots and welcome more and more women and minorities into our ranks. It's time to expand our ranks, otherwise we will not be able to meet future needs for pilots. With the right training and encouragement, women and other minorities will have equal opportunity to make their mark on our profession. The opportunity is there. And, we need you to play an important role in helping to mold these future airline pilots, by becoming involved and acting as mentors and teachers.

To encourage young people to become interested in flying and in aviation careers, the EAA Aviation Foundation launched a program two years ago to provide flight experience for one million young people between the ages of 8 and 17 by the year 2003 -- the centennial of the Wright brothers first powered flight. At designated airports across the country, Young Eagle flight rallies will be held to build interest and enthusiasm for the program. EAA realizes that the nation's pool of pilots is growing older and smaller, and that efforts to recruit replacements must be a high priority for the industry. I strongly urge you to contact EAA and offer your services as a volunteer in this very important program.

Another educational activity endorsed by the FAA is the National Air Transportation Association's Learn to Fly program. Its objective is to increase the pool of student pilots by 250,000 over the next ten years by bringing interested individuals into contact with flight training schools. I hope I don't sound like a commercial here, but you can also offer your services to this program, just call 1-800-I CAN FLY.

Your membership in the Retired Air Line Pilots Association reflects your pride in your accomplishments, and your desire to stay active in your profession. I value your experiences over a lifetime of flying. It's an experience, I hope you will want to share with the next generation of pilots, and I hope you will take advantage of every opportunity to help train our youth. There is nothing more exciting than the thrill of flying. Let's help as many young people as possible experience that thrill and wonder.

I thank you for this opportunity to speak to you, and look forward to working with you in the future as a volunteer in some of these excellent educational and training programs.

TALKING POINTS FOR FAA ADMINISTRATOR
NEWS MEDIA BRIEFING
NOVEMBER 7, 1994

- Welcome, thanks for coming.
- Let me introduce my colleagues. Anthony Broderick, Associate Administrator for Regulation and Certification. Archie Archilla, Associate Administrator for Airways Facilities. Dave Thomas, Director, Office of Accident Investigation. William Behan, Manager Systems and Programs Division, Office of Air Traffic Plans and Requirements Service; and John Harris, air traffic specialist, office of Air Traffic Plans and Requirements Service.
- This dialogue will give you a chance to find out what issues are facing us -- the FAA -- and hear first hand what's on our minds and what direction we are taking.
- Before I open this up for questions, let me take a moment to discuss a few issues.

American Eagle Flight 4184. We are working with the NTSB to determine the cause of the crash. I was in Chicago speaking at the ICAO conference when the crash occurred. Secretary Pena and I flew over the sight to get a first hand look at the situation and the reports.

- Safety is our number one priority.
- America's aviation industry, aircraft, air traffic procedures are the finest in the world.
- We issued a Flight Standards information bulletin last Friday on the ATR-42 and ATR-72. And, we are scheduled to meet this week with key personnel from each operator of ATR-42's and 72's.

Our commitment to safety is worldwide. I will be leaving this week for China and Japan to discuss in part safety and capacity.

China/Japan Trip

- We will discuss safety standards for air carriers, aircraft manufacturers and aircraft maintenance services.
- We will also discuss the critical elements of the aging air traffic control systems.
- Asia is one of the fastest growing markets in the world.
- We will discuss many issues such as airport capacity, security, and general aviation.

ICAO

- In Chicago last week, ICAO celebrated its 50th anniversary.
- At this convention, ICAO accepted the U.S. offer of the Global Positioning System (GPS).
- Within 10 years, world aviation will have to accommodate twice as many passengers as it does today.
- GPS will be the new technology that will handle the worldwide air traffic management systems for the future.

ICAO Safety Initiatives

- Acknowledge ICAO with regard to the speed they are moving to address safety oversight issues.
- Pleased that ICAO has cooperated fully in efforts to improve safety.
- ICAO is designing an audit program for countries to use to improve the safety oversight standards.
- A group of international aviation experts will convene in December to develop a mechanism to pursue the audit program. The FAA will be a fully involved in this initiative.
- This will be the beginning of a concerted effort to promote harmonization through aviation safety issues -- it may also provide an opportunity to address other areas of safety --, such as airports, maintenance.

Government Savings

- We continue to seek ways to effectively cut costs and reduce personnel without affecting safety and security.
- One method which is identified the GAO reports, is the FAA plan to contract-out low activity towers.
- GAO conclude the our plan is reasonable and does not affect safety.
- Level one towers are operated by civilian controllers who meet the FAA training standards.

NOV - 4 1994

David,

Here is your speech for the Oceanic Airspace Conference. Below is a synopsis of the session.

Sandie

Event: 9th Annual Oceanic Airspace Conference

Location: Ilikai Hotel, Honolulu, HI

Date: November 9, 1994

Sponsor: FAA

Suggested Length: 12:30 - 1:30 Keynote Luncheon Speaker -- 20 minutes

Thesis: Air Navigation Systems (includes updates on GPS, South Pacific Air Traffic Services, Oceanic Communications evolution, Data Link, FANS.)

Guests: May include civil aviation representatives from Australia, Singapore, and Fiji.

Audience: Primarily Air Traffic Service providers, Airline and Aviation representatives.

Number of Attendees: Approximately 250

****** Press may cover this event



U.S. Department
of Transportation
Federal Aviation
Administration

INFORMATION

REMARKS PREPARED FOR DAVID R. HINSON
9TH ANNUAL PACIFIC OCEANIC AIRSPACE CONFERENCE
NOVEMBER 9, 1994
THE ILIKAI HOTEL
HONOLULU, HAWAII

[Possible introduction by Bill Jeffers, acting associate administrator for Air Traffic]

I'm pleased that I'm able to be with you today and I'm delighted to have the chance to address such a diverse international audience.

This week's meeting is the ninth in a series of oceanic airspace user conferences, the first of which was a small meeting set up by the FAA's Oakland ARTCC and the Western-Pacific Region and held at the San Francisco Airport.

As you can see, participation at the conference has grown enormously since 1985, as has the importance of the Pacific Region in the global aviation community. But this meeting has never lost its focus on the users--the people who are responsible for the hands-on, day-to-day operation of the system.

A look at the agenda tells me that you have heard from some of the most knowledgeable people around about issues and developments that have a real impact on what you do.

People from the FAA and other civil aviation authorities in the Region, the airlines, industry representatives, representatives of national and international organizations--you've had a full plate of information and new ideas.

But this area has always been at the bow wave of aviation. As the fastest growing aviation market in the world, the Pacific Region has been a testbed for emerging technologies and a living laboratory for developing new global aviation standards and procedures.

The issues of the Pacific Region, while unique in some respects because of the vast distances involved, are the same issues that aviation users the world over face as we grapple with capacity constraints, international harmonization issues, and the increasing costs of equipment and technology.

I applaud the work that has been done thus far in Fiji and that continues even today. What we all learn from the Fiji experience will form the basis for many of our future efforts in this arena.

The great appeal of GPS, of course, is that it provides one basic system to handle all phases of flight--en route, terminal, and airport surface operations.

And it has the potential to turn virtually any landing strip into an instrument runway. Basic GPS can pinpoint an aircraft's position within meters--as I'm sure many of you know who may have flown any of the growing number of GPS approaches either in the U.S. or in other countries where they are available.

GPS systems will permit more direct routing, save hundreds of millions a year in airline fuel costs, allow closer headways and far better all-weather performance, and enable airports to cope with a steadily rising volume of traffic.

Countries needing to modernize and expand their ATC systems would no longer need to invest in ground navigation systems that are expensive to buy and costly to maintain. GPS is the leapfrog technology that will level disparities that now exist between the developed and the developing world.

Of course, the airlines would also benefit from a space-based system. Recent studies by Northwest Airlines show that a \$20,000-\$30,000 GPS receiver in a widebody in Pacific service would pay for itself in 18 months--by enhancing "free flight" and rapid deployment of equipment.

I don't need to sell this audience on the enormous potential of GPS to aviation users in the Pacific. You know how in-flight decision-making can enhance the economics of trans-oceanic flights by increasing fuel savings. You know how pinpoint location capabilities can improve safety in all-weather conditions.

Those of you in Government ATC organizations are aware of the tremendous potential cost savings of reducing investment in ground systems that are expensive to buy and maintain.

I am here today to reconfirm the U.S. commitment to the early implementation of this system and its continued assured availability.

GPS is not tomorrow's system. The technology is here today, available today, operative today. The future is in planned enhancements such as a wide area augmentation system, which was put out for bid earlier this year, and MTSAT--both of which we expect to have in place by the turn of the century.

When I leave this conference tomorrow, I'll continue west to a series of meetings in China and Japan. In China, what we hope to achieve is the formation of a partnership to work to solve operational and safety challenges in that country.

The FAA has a special interest in Asian carriers flying to the United States, so we must ensure that all carriers that cross our borders abide by the same standards in certification and maintenance of equipment, as well as training of aviation personnel.

We are also concerned that we cooperate fully in modernizing the air traffic system to accommodate the increasing growth --- 20 to 30 percent a year for the past several years

In Japan, I expect to discuss the formation of a partnership between the United States and Japan that will work with other countries in greater Asia to solve safety and certification issues.

Likewise, we need an ever stronger partnership with Japan to increase our ability to increase air traffic capacity in the Pacific.

I've brought a top-level team with me to ensure that the right people with the right information are there with me, so we can forge a solid alliance of cooperation, training, and information exchange.

Safety standards are a commodity that increases with use--the more you spread it around, the more of it there is to go around.

The United States is proud of its record of international cooperation in contributing to the training of aviation personnel from around the world.

Last year, we worked with aviation professionals from A to Z, Albania to Zimbabwe, in providing or arranging training at the FAA Academy in Oklahoma City, at private schools and universities, and on-site with private firms--to ensure that the people who operate and maintain the systems we design and build are kept abreast of the latest developments in the field.

It's in our own best interest to make sure that every man and woman in our industry has the latest word on the newest technologies and equipment, and the basic training to be able to use that knowledge.

International cooperation, education and training, and exchange of information are critical facets of our industry. No one country or organization can afford to be isolated from the mainstream.

The vital testing that is required to ensure operational availability of the airborne and ground systems is something the FAA takes very seriously. We expect that testing to be completed before this conference takes place again next year.

Another area in which the Pacific region has assumed a global leadership role is in CNS/ATM, where it is clearly the world's test and development area for implementing CNS/ATM systems.

With the youngest fleet of aircraft and aggressive and talented ATS support staffs, the Pacific ATS providers are leading the CNS/ATM revolution, which will enable aircraft operators to meet departure and arrival schedules and adhere to their preferred flight profiles with minimum constraints, without compromising agreed levels of safety.

Implementing a global/regional CNS/ATM system will permit more flexible and efficient use of airspace, both en route and in terminal areas. Working together, we can ensure a coordinated implementation in a timely and cost-beneficial manner.

Finally, I want to give you an update on a topic that you may have read about in the papers or heard about elsewhere--the proposed corporatization of the air traffic control functions of the FAA.

Several countries of this region have experienced corporatization of their air traffic control systems. And it hasn't always been easy. Changing a way of doing business never is.

But we have a clear mandate from Vice President Al Gore to promote the creation of a Government corporation tentatively called the U.S. Air Traffic Services or USATS. Not only do I share the vice president's views on this topic, I'm personally enthusiastic about the benefits of such a change.

The first advantage--of course--is financial. A Government air traffic control corporation would not be subject to competing demands for funds in the Federal budget. Fewer trips to Capitol Hill to fight for a dwindling supply of Federal funds.

The current proposal is that USATS be supported in part by user fees, which would be divided between the corporation and the existing FAA Airport Improvement Program.

In addition, we've done studies that show that USATS would be a financially viable Government corporation. Funding for the ATC functions would still be appropriated by Congress, but additional funding for technology would come from the user fee.



U.S. Department
of Transportation

**Federal Aviation
Administration**

800 Independence Ave.. S.W.
Washington, D.C. 20591

INFORMATION

PREPARED FOR DELIVERY BY DAVID R. HINSON
ADMINISTRATOR, U.S. FEDERAL AVIATION ADMINISTRATION
AT THE
AEROSPACE FORUM OF THE U.S. CHAMBER OF COMMERCE
BEIJING, CHINA
NOVEMBER 12, 1994

Good Morning.

I want to thank Fred Lee [Senior FAA Representative] for arranging this opportunity for us to meet our American aerospace colleagues here in Beijing. I especially wish to thank Ambassador Roy and all the staff here at the U.S. Embassy for their warm hospitality.

We are looking forward to meeting later with Minister Chen and other officials at the Civil Aviation Administration of China [CAAC] for productive discussions on matters of importance to both our countries.

We're going to talk about strengthening the ability of the CAAC to enforce safety standards for air carriers, aircraft manufacturers and aircraft maintenance services.

We'll be discussing the crucial elements which go into a national system of air traffic control.

We'll explore how we can work together to ensure aviation security.

We'll review the contribution of general aviation to a balanced aviation sector.

And we'll consider what must be done to expand airport capacity.

For some time I have been expressing my concern that the predicted growth of air travel in the United States would overwhelm the capacity of our own nation's airports. What can be observed here in China only reinforces that concern.

But what can be observed here also makes me more optimistic about the future.

Impressive progress is being made. What we see happening in the People's Republic of China today foreshadows what we will see happening elsewhere: a surge of growth which puts serious strain on the entire system.

The experience of the People's Republic underscores how important it is that infrastructure development advance in phase with the expansion of air transport

Every forecast I have seen predicts that air travel in the region will double by the end of the decade, then double again by the year 2010.

But there is a complicating factor: all these forecasts assume that the essential infrastructure will be in place to handle the growth when it occurs. And we know that is something which simply cannot be assumed.

The massive growth in air travel which we foresee demands an equally massive response. Creating the necessary infrastructure calls for an heroic effort in long-range planning and long-term investment -- at a time when governments everywhere are distracted by other problems and struggling to make ends meet.

With time running out and resources hard to come by, it's imperative that we gear up to a higher level of international cooperation. For in the increasingly integrated system of global aviation, the problems are much the same everywhere in the world.

But so, fortunately, are the solutions.

This is the purpose of my visit at this critical time as the Civil Aviation Administration of China is grappling with the problems of promoting both aviation growth and aviation safety.

These are the same fundamental issues which we confront in the United States.

I believe our experience is highly relevant to what is happening in China today. And I believe that the FAA has much to learn and much to gain from a closer collaboration with the CAAC.

That's why we're here: to lay the foundation for expanded cooperation in advancing the development of a safe and efficient system of international air transportation.

And we're here to sign several agreements.

The PRC and the United States are hoping to extend technical cooperation beyond the expiration of the present agreement, which was originally signed in 1986.

We also expect to agree on setting up a training program for accident investigation.

And we are going to try to make it easier for FAA personnel to come to the PRC to evaluate flight simulators.

These are some of the specifics.

But from a broader perspective, there are several important issues in which our interests overlap.

Let me briefly mention just four:

- o the allocation of the airspace for military and civil use;
- o the improvement of aviation safety during a period of rapid expansion;
- o the role of new air traffic control technology in enlarging capacity and promoting safety;
- o and the question of how to most effectively organize the civil aviation agencies of government to carry out their regulatory functions and their responsibilities for safety oversight.

In addressing each of these four issues, the CAAC is pursuing significant and far-reaching initiatives. And for each, the United States has experience which is germane.

Regarding the first issue -- China has recognized that it must find a way to resolve the competing demands of the military and civil aviation for the use of its airspace and many of its airports.

This is a question which was resolved some time ago in the United States. In fact, two accidents -- a month apart -- and both involving military and commercial aircraft -- actually led to the creation of the FAA in 1958 as an independent agency, with overall responsibility for the airspace.¹ It is an arrangement which has served us extremely well for nearly 40 years.

And, more recently, the FAA has been playing a leading role in the conversion of former Air Force bases into civilian airports.

One of these, the airport in Orlando, Florida -- where Disney World and the Splendid China theme parks are located -- has become an important gateway for international visitors to our country.

We have demonstrated that the requirements of the nation's military can be fully accommodated without curtailing the growth of the civilian sector of the industry.

Regarding the second issue -- China has recognized that it must find a way to handle the rapid expansion of domestic air travel while -- at the same time -- ensuring high levels of aviation safety.

¹ "Ike and the FAA," Aviation Safety Journal, Winter 1991.

The United States went through a similar expansion with the deregulation of the airlines in 1978. There was a proliferation of new carriers offering low fares which attracted huge numbers of travelers. The entire system was under severe strain. Planes were packed. Airports were jammed. And the airspace was increasingly congested.

Yet, we were able not just to maintain our high standards of safety. We actually managed to steadily improve our safety record.

Aviation safety requires constant vigilance. But it is essential to the economic viability of the industry. Long-term growth will be seriously jeopardized if the public perceives that it is unsafe to fly.

Aviation will never be risk-free or fail safe. Accidents can still happen, unfortunately. Even to carriers with excellent safety records, as has happened recently in the United States. But these must be rare chance occurrences. Not the result of habitually careless aircraft maintenance, untrained flight personnel or faulty air traffic control procedures.

The rapid growth of air travel is not incompatible with high standards of safety. One need not be compromised to achieve the other.

Regarding the third issue -- China has recognized that it must replace an aging and obsolete air traffic control technology, much of which dates from the 1950s.

It was during this same period of the Fifties that the United States was phasing out technology which dated from the Thirties and phasing in systems as ILS, VOR and radar which were then state-of-the-art. That ATC technology, together with the later introduction of computers, enabled the FAA to cope with the enormous growth in air traffic during four postwar decades.

Now, the United States is once again totally upgrading its air traffic control system. And I am confident that this new technology will enable us to handle the future growth predicted by even our most optimistic forecasts.

It is one which is well-adapted to the urgent needs of aviation here in China.

The zenith of this new generation of ATC technology is the constellation of 24 orbiting navigation satellites which comprise the Global Positioning System.

The shift from a ground-based system of air traffic control to one which is space-based marks an epochal moment in the history of aviation.

And that moment has already arrived.

GPS is a proven technology which is available now ... just at the time when the need for it is most pressing.

GPS can provide precise and reliable navigation over China's vast expanses of western mountains and desert which now have very limited ground facilities.

And GPS can improve the flow of air traffic in the heavily congested skies of eastern China by allowing separation to be safely reduced.

GPS simplifies the complex task of creating a single, unified, modern ATC system for all of China -- one which is highly integrated and compatible across all its three and a half million square miles.

GPS creates a technologically advanced system at relatively low cost because it eliminates the need for many of the ground installations which are expensive to build and costly to maintain. It has the potential of turning virtually any landing strip into an instrument runway.

But the successful transition to GPS, as well as the other moves which will be necessary to improve China's aviation infrastructure, will require an organizational framework capable of managing these changes.

Which brings us to the fourth issue. The CAAC has recognized that it must continue the work of organizational reform begun six years ago.

In last year's annual report, the Minister Chen -- noting the success of the significant reforms already in place -- pledged to "deepen the reform" still further in the years ahead.²

I'd like to commend the Minister on the progress which has already been made. It is important that the CAAC has the authority and the resources to carry out its regulatory responsibilities.

We would like to work together with the CAAC in developing a flexible institutional framework which can be fully responsive to the constantly changing needs of civil aviation.

The FAA, too, is facing up to the need for reform. We recognize that, because of the way we are organized, we can be slow to respond to the rapidly evolving technologies and competitive conditions of the aviation industry.

² Message of the Minister, General Administration of Civil Aviation of China, Annual Report 1993.

President Clinton has proposed to transfer the air traffic control function to a new type of government corporation which would be free to operate with the flexibility of a well-managed company.

Despite the great differences in history and political philosophy between the PRC and the United States, it is clear that -- on practical issues of administration -- both countries face some of the same general problems in establishing a regulatory environment which supports the future expansion of aviation.

The fact that both countries are re-organizing their civil aviation administrations at the same time presents a unique opportunity to share views and exchange ideas.

I believe that our discussions during my visit to the People's Republic have more clearly defined the areas in which future collaboration between our two nations can usefully proceed.

The relationship we seek is one which is mutually advantageous.

For the globalization of the aviation industry means that the problems of any one nation can -- sooner or later -- create difficulties for others. Trouble spreads and everyone is potentially affected.

But so does success. Especially with regard to an aviation market as promising as China's. A flourishing air transport industry here will benefit us all.

The important new agreement between the PRC and McDonnell Douglas is further evidence that aviation -- especially aircraft manufacturing -- today is a truly global enterprise. While a plane may be assembled in one country, its components are built in many others. And all of these countries profit from a successful product.

The trend toward globalization and harmonization can only proceed as nation's everywhere adhere to uniform standards in the certification of airworthiness.

It is proof of China's growing stature that multi-national companies can have confidence both in the quality of your aviation products and the integrity of your inspection procedures.

And China's stature in international aviation is certain to grow still more in the years ahead.

Two years ago, when a mountain was being leveled to make room for a new airport in southern China, the powerful blasts swayed skyscrapers in Hong Kong, sixty miles away.³

That event stands as a symbol for the impact of China far beyond its borders.

Aviation in the People's Republic is at a critical stage. What happens is important for China. And, increasingly, what is important for China is important for the rest of the world.

My visit signals the continued commitment of the United States to support the successful integration of the People's Republic into the global system of aviation which is now evolving.

Thank you.

³ Financial Times (special section on Asian Aerospace), February 18, 1994.

NOV - 7 1994

David,

Here is your speech for the Aerospace Forum of the U.S. Chamber of Commerce, Beijing, China. Below is a synopsis of the session.

Sandie

Sandie

Event: Breakfast -- Speech to the Aerospace of the U.S.

Location: Beijing, China

Date: November 12, 1994

Sponsor: FAA

*Suggested
Length:* 15/20 minutes -- possibly Q & A's

Major Points:

- National system of air traffic control.
- Airport capacity.
- Contributions of general aviation a to balanced aviation sector.

Guests: Civil Aviation Authority China

Audience: Aerospace industry

*Number of
Attendees:* Approximately 250

****** Press will cover this event

INFORMATION

REMARKS PREPARED FOR DAVID R. HINSON
ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION
AMERICAN AEROSPACE INDUSTRIES - JAPAN
TOKYO, JAPAN
NOVEMBER 17, 1994

Good Morning.

I want to thank Fred Laird [Senior FAA Representative] for arranging this opportunity for us to meet our American aerospace colleagues here in Tokyo. I especially wish to thank Ambassador Mondale and all the staff here at the U.S. Embassy for their warm hospitality.

Japan is our dominant aviation partner in this region. The primary goal of our visit here this week is to strengthen that partnership.

We are looking forward to meeting later with the Ministry of Transport and our civil aviation counterparts on matters of importance to both our countries.

These meetings have three objectives. The first is to advance new technology for civil aviation. The second is to improve traffic flows across the Pacific. And the third is to seek new ways to further expand the cooperative efforts of our two countries.

Those are the broad objectives. But we are also going to get down to some specifics.

We are going to talk about the policy and technical issues -- as well of the benefits -- related to satellite navigation.

We will explore the opening of a second border crossing from the Russian Far East and the opening up of a direct route between Seoul and Beijing.

We will review the contribution of general aviation to a balanced aviation sector.

And we will enlist the aid of the JCAB in improving aviation throughout Asia.

Everyone here has a stake in the outcome of these talks. For behind this agenda is a real sense of urgency. We are about to see a surge of air travel which will put serious strain on the entire system.

The dynamic expansion of the past few years was only the first ripple in an advancing wave of growth.

During the past 15 years alone, passenger traffic to the Pacific has quadrupled.¹ By the end of the decade, air travel to, from, and within the region is expected to double from its present level to nearly 200 million passengers a year. Then double again to nearly 400 million by 2010.²

Already, thirteen of the world's 25 busiest routes are located in the Pacific Rim. The world's most heavily traveled city pair is Tokyo-Seoul, with Tokyo-Honolulu and Hong Kong-Taipei tied for second place. Traffic on these routes is expected to double within a ten year span.

All of the forecasts I've seen tell pretty much the same story: air travel throughout the Asia Pacific area is expected to increase by eight to nine percent every year over the next decade or so, compared to 5 to 6 percent for the rest of the world.

These forecasts are based on the most reliable information available. But there is a complicating factor. Every forecast assumes that the infrastructure will be in place to accommodate the new growth.

We all know that is something which simply cannot be assumed.

¹FAA Aviation Forecasts Fiscal Years 1994-2005, U.S. Federal Aviation Administration, March 1994

²Asian Aerospace Survey, Financial Times, February 18, 1994.

For many countries throughout this region and the world -- just supplying the basics -- adequate airports...air traffic control...and safety oversight is a monumental task. More often than not, it requires an investment which many countries simply cannot afford. It also takes planning and expertise which may not be available in nation's with less mature transportation systems.

And it takes a great deal of time. It has taken us a decade or more to work through the complex technical issues involved in the design of a fully modern air traffic control system.

Both the United States and Japan are investing heavily to upgrade and improve our air transportation systems. And we are both designing our national systems along the lines recommended by the ICAO future air traffic management concept.

Without going into great detail, the future system has three core components: satellite navigation, data link for error free computer to computer communications, and advanced automation for maximum efficiency and productivity.

The FAA is moving quickly to make the shift to satellite-based navigation -- using the Global Positioning System -- the GPS. We have already authorized the use of GPS for supplemental navigation down to and including non-precision approaches. We will be using it for Category I approaches within the next year. And, we will know shortly if it can be used for Category III landings. Our research in this area is moving much faster than we anticipated.

Within two years, we will have an interim system in place which will make it possible to fly more flexible and direct routings and to safely reduce separation between trans-oceanic flights. The interim system -- the Future Air Navigation System, FANS-I -- uses GPS and satellite communications with two-way datalink and automatic dependent surveillance.

Based on a recent study -- using U.S. airplanes over U.S. airspace in the Pacific -- we estimate that reduced separation can save an airline operator as much as \$200 million dollars in fuel costs and time. Extend this capability worldwide, and the savings increase dramatically.

But in order to achieve these benefits, all our efforts need to mesh closely with what all other countries are doing ... or planning to do.

The United States is making GPS available, at no charge, to civil aviation throughout the world. I reaffirmed this offer three weeks ago to Dr. Kotaite at ICAO. I also reassured him that the United States is committed to ensuring the integrity and reliability of this system. I have received word from Dr. Kotaite that ICAO has accepted our offer as a first step toward achieving the ICAO global system.

Japan's new ATC system is scheduled to be fully operational by the year 2004. We hope to persuade the JCAB to use FANS-I, as we have done, as an interim step to safely reduce separation across the Pacific.

There are several issues that our two organizations need to discuss. The Multi-Functional Transport Satellite system which Japan plans to launch is a major investment. It is important that if there are to be charges for using the system that these are not so high as to be prohibitive.

As I just said, the United States is offering GPS without charge.

We also need to make sure that the GPS and the MTSAT are interoperable. The satellites have to be able to communicate with each other.

I plan to propose that our two organizations meet early next year to consider these, and other matters, in detail.

While we are here this week, I hope to sign two agreements. One will extend technical cooperation beyond the expiration of the present agreement, which was originally signed in 1985. The other is a letter of understanding whereby the FAA and the JCAB will hold annual meetings to discuss important issues in which our interests overlap.

We routinely hold similar discussions with the United Kingdom, Canada, and France. I believe the time has come to form a similar relationship with Japan.

It is the inevitable consequence of global integration that the problems of one can become the problems of all. Fortunately, so can the solutions.

We have just finished a week of very encouraging meetings in China which we hope will lead to expanded cooperation in resolving many of that country's problems with safety and capacity.

In the global system that is emerging, no single country should be expected to work out its aviation problems alone. The difficulties are too complex and pervasive.

One reason we are in Japan is to enlist the help of the JCAB in improving aviation throughout Asia.

It is in the best interest of all to see Japan play a more active role. The globalization of the aviation industry means that the problems of any one nation can -- sooner or later -- create difficulties for others. Trouble spreads and everyone is potentially affected.

But so does success. A flourishing air transport industry here, with accompanying investments in infrastructure, will benefit us all.

Ambassador Mondale had the right perspective on this when he said -- not long ago -- that "if the United States and Japan work together, then practically every other problem in the world will get better, or at least, become easier to handle."

Certainly that observation sums up the situation in aviation today. And I can think of no better starting point for our discussions here in Tokyo.

Thank you.

NOV - 7 1994

David,

Here is your speech for the Aerospace Forum of the U.S. Chamber of Commerce, Tokyo, Japan. Below is a synopsis of the session.

Sandie

Sandie

Event: Breakfast meeting -- Speech to the Aerospace of the U.S.

Location: Tokyo, Japan

Date: November 17, 1994

Sponsor: FAA

*Suggested
Length:* 10-15 min. with questions to follow

*Major
Points:*

- Speech outlines your purpose to Japan
- Capacity
- Growth Asia Pacific Growth
- Technology
- Improved/New Routes

Audience: Aerospace industry, Japan

*Number of
Attendees:* Approximately 200

****** Press will cover this event -- remarks will be given to the press.

Aviation Safety
by
Federal Aviation Administration
Administrator David R. Hinson
November 17, 1994

It's been more than 90 years since the Wright brothers took that great leap into the unknown. It's hard to imagine today, but there was a time when the sound from an airplane's engine would cause people to stop what they were doing and stare up at the sky in amazement. For many Americans, aviation was a mystery that held much anxiety.

Today, jets now takeoff from runways longer than that first flight at Kitty Hawk. Each day, tens of thousands of "puddle jumpers," "shuttles" and "airbuses" streak across U.S. airspace almost unnoticed. This, combined with greater levels of safety each year, has caused flying to become as commonplace in American culture as dialing the phone or hopping in a car. Aviation, as with any technological triumph, has inevitably become a routine part of our society.

Yet, recent tragedies in North Carolina, Indiana, and Pennsylvania, has renewed many American's anxiety over flying. As administrator of the Federal Aviation Administration (FAA) and one who worked in air transportation for over 30 years, let me assure every citizen that air travel in the United States is the world's safest and getting even safer.

In this day and age, aviation safety has improved to such high levels that a single disaster significantly influences perceived accident rates. Fatal tragedies involving large carriers has fallen to a steady level of zero to two per year. The accident in Charlotte, N.C., was the first in two and a-half years. In six of the 14 years from 1980 to 1993, there were no fatal crashes involving passenger flights. In 1992, major airlines set another new safety mark. Despite recent events, the accident rate through September of 1994 is 30 percent lower than 1993 and seven percent less than 1992. What's more, 21 percent of all "accidents" since 1984 involved flight attendants or passengers without seat belts, and 40 percent of all "fatal accidents" involved ground workers, a stow-away, hitting a parachutist, and a passenger tripping while deplaning.

Recently, many travelers have also expressed concern over the safety of commuter airlines. Here, as in the case of large carriers, aviation safety remains one of the least recognized success stories. In 1993, commuters had the second-lowest accident rate on record. This year, commuter accidents through September were down over 70 percent and will easily set a new mark for safety. Furthermore, in an average year, a third to half the commuter accidents are attributable small airplanes operating in isolated communities in Alaska or at off-shore communities. These commuters often operate with limited navigational aids and in extremely difficult operating conditions not predominant in the contiguous United States. However, 95 percent of all commuter travelers use large turboprop aircraft flying into airports with the full compliment of navigational aids. Over the past 10 years, this, most widely-used element of the commuter industry, had an accident rate only one-tenth higher than large carriers.

The expansion of air travel in recent decades provides some scale of just how far we have come. If we had not improved since 1960 there would be an average of about 245 accidents a year, one every one and a-half days, and a fatal crash every 11 days. Today, nearly 500 billion (that's billion with a "B") passenger miles are flown and nearly 500 million passengers travel safely each year. Despite recent tragedies, the overall accident rate through September of this year is 0.13 accidents per 100,000 miles. It is these levels safety combined with air traffic volume that makes the U.S. airspace system the envy of the world.

Consider the average American is 89 times more likely to be injured driving to the airport than flying and the figures speak for themselves. Over the last 10 years, 30,000 more people died crossing the street than on board airlines. The National Aeronautics and Space Administration (NASA) reports the risk of being struck by a meteorite is comparable to being fatally injured in an airline accident.

America has come a long way in aviation since Orville and Wilbur Wright took to the skies that blustery day in December of 1903. Myself, and all those at the FAA recognize the sacred trust the nation has placed in us to oversee the nation's airspace. The inscription at Kitty Hawk reads, "In commemoration of the conquest of the air." For the FAA, true conquest of the air is driven by safety, and the agency's continual struggle to make this vital form of transportation even more safe for every American.