

DAVID R. HINSON
FAA ADMINISTRATOR
TALKING POINTS FOR BROWN BAG LUNCH
APRIL 3, 1995

SAFETY PARTNERSHIP

Safety Conference

- Our safety standard for aviation, and the only acceptable standard, is 100 percent safety: zero accidents. The only way to achieve and maintain that standard consistently -- every hour on every flight -- is for government, industry and labor to forge an even stronger safety partnership.
- The Aviation Safety Conference was an attempt to cross a mental threshold. We wanted to help the aviation community *and* the flying public begin to understand -- and finally to *believe* -- that accidents are not inevitable, that 100 percent safety is possible.
- Our goal was to create a permanent change of thinking that would lead to a permanent record of zero accidents.
- The economic viability of the industry depends on public trust, and safety is the foundation on which that trust is built. For everyone involved in the aviation industry, safety *is* the bottom line.

- Keeping air travel safe is a shared responsibility. It requires the hands-on, eyes-open commitment of every person who designs, builds, flies, regulates, services or repairs aircraft..

Commuter Rule

- The FAA recently proposed a new rule that would establish one level of safety for all commercial flights, by requiring commuter airlines that operate airplanes with 10-30 seats to follow the same rigorous safety standards as the major airlines. Some modifications are being considered for Alaska operators because of special circumstances there.

ATC LEGISLATION

- Being sent to Congress today.

PART 139 LEGISLATION

- Complements the FAA's new proposed rule for commuter airlines, by granting the agency the authority to strengthen safety rules for smaller airports that serve commuters.
- This will give us the authority we need to create one level of safety for airports as we are proposing to do for airlines.
- This authority will enhance the FAA's ability to regulate and improve such things as aircraft rescue and firefighting, the handling of hazardous materials, snow and ice removal, runway and taxiway identification and wildlife management.

TESTIMONY OF
DAVID HINSON, ADMINISTRATOR
FEDERAL AVIATION ADMINISTRATION
BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION
AND RELATED AGENCIES APPROPRIATIONS
UNITED STATES SENATE

APRIL 5, 1995

Good morning, Chairman Hatfield and members of the Subcommittee. I am very pleased to appear before you today to discuss the FAA's budget request for fiscal year 1996. We look forward to working with you and the Subcommittee.

Today, I'm happy to say that we have good news to report. For the first time in quite awhile, most of the economic signs are positive. Last year, 555 million passengers boarded flights on US carriers -- an increase of more than 8 percent and the strongest gain in eight years. Revenue passenger miles grew 5.5 percent -- a dramatic increase over the sluggish 1.5 percent average growth of the last four years. And for the industry as a whole, the long string of annual losses finally was broken. Last year, many carriers started showing profits again. As the *Wall Street Journal* recently reported, airlines' performance during the fourth quarter of 1994 produced the biggest surprise among all market sectors -- exceeding analysts' earnings expectations by more than 50 percent. These are clear indications of a turnaround for the airline industry. But while we are optimistic, our optimism is tempered with caution. For despite a reassuring growth trend, despite the cost-cutting, and downsizing, we know that for carriers of all sizes the recovery is still very fragile. The airline industry is still struggling to regain its financial footing. I strongly believe that only a strong and ongoing partnership between the private and public sectors can produce the steady stream of high-quality solutions that these challenging times demand.

Before I turn to the budget and your questions, I would like to describe for the Subcommittee a number of important initiatives that we have

underway that, I believe, are a valuable framework within which to better judge the budgetary needs of the agency.

The initiatives that I will focus on include:

- our number one priority -- safety;
- our recent accomplishments in reinventing government -- how we have downsized the FAA workforce and restructured the organization to become more efficient;
- actions we are taking to work more closely with our customers to find procedural and non-capital intensive measures to improve system safety and capacity; and
- our efforts in international leadership in technology, procedures and information sharing.

SAFETY -- Despite several tragic accidents during the last several months, it is important to keep in mind that last year was the safest year on record for commuter airlines, and Part 121 carriers had their second lowest accident rate on record. General aviation also had the fewest number of accidents since World War II. But, I believe we can do better. In January, Secretary Peña convened a two-day "Safety Summit" here in Washington with more than 1,100 participants from senior management of airlines, manufacturers, pilot organizations, and many others. Our purpose was to examine the safety priorities not just of the FAA, but of the entire aviation community, and develop joint strategies for a virtually fail-proof system of flight safety. We came together to take decisive action and we did. During an intensive 30-day period following the conference, government, industry and labor worked together to develop 173 safety action initiatives. Almost

two-thirds of the initiatives -- 104 out of 173 -- will be completed within the next six months.

Last year we also commissioned many pieces of new equipment which increase safety margins as well as increase capacity during inclement weather. These include new Terminal Doppler Weather Radars (TDWR) at Houston and Memphis and new Airport Surface Detection Equipment (ASDE) at Seattle, Portland, Detroit, and Cleveland. Additional commissionings are currently underway. When these two programs are completed in early 1997, we will have installed TDWR at 45 airports and ASDE at 35 airports.

REINVENTING GOVERNMENT -- In the private sector, our best run corporations are often organized around lines of business with clear accountability for decisions and actions. After months of visiting FAA organizations and field facilities, and after internal reviews, I concluded that the FAA needed to be reorganized to help us better manage our major missions. Last December, I implemented a restructuring of the FAA which concentrates our work into six major lines of business -- air traffic services; research and acquisitions; safety regulation; civil aviation security; airport development; and administration.

The restructuring of the FAA goes well beyond the lines of business concept. We are also making great strides in flattening the organization by reducing unneeded layers of management. The Airways Facilities organization was selected by the Office of Management and Budget (OMB) as a pilot project under the Government Performance and Results Act and is

now consolidating field management from 77 offices into 33 locations. In air traffic control, we contracted out 25 small control towers last year and plan to do 25 more each year until we have converted almost 100 towers to contract operations at an annual savings of over \$20 million. This is allowing us to reduce the size of our in-house controller workforce.

These downsizing efforts will continue. By the end of this fiscal year we will have reduced FAA full time employment by more than 4,240 people since the beginning of fiscal 1993. With a net reduction of 547 more people in fiscal 1996, we will have achieved a cumulative net staffing reduction of 4,787 full-time employees over the course of four fiscal years while providing for growth of almost 600 people in our inspector/certification workforce in fiscal years 1995 and 1996. The FAA represents the largest portion of DOT's civilian workforce and we are at the forefront of the Department's streamlining efforts.

We have implemented new automated systems in personnel, payroll and travel management which eliminate huge numbers of paper reports, provide quicker response to our internal customers which allows us to downsize support personnel. We are putting certain regulations, planning documents, and procurement information on the Internet to make the FAA more accessible to the public.

We have also organized our acquisition and research staff into "integrated product teams" which emulate the management practices used by industry to develop products like the Ford Taurus and Boeing 777. In the acquisition area, last summer I announced the cancellation of two major

elements of the Advanced Automation System and a restructuring of the remaining portions of the program and continue to have MIT Lincoln Labs and the Carnegie Mellon Software Engineering Institute review the program and provide us with a critique and recommendations. This restructuring, along with new cost management, has had a favorable impact on our budget. In addition, we are closely monitoring this program in conjunction with the Office of the Secretary and the Office of Management and Budget.

CUSTOMER OUTREACH -- I am pleased to report a number of noteworthy accomplishments to this subcommittee. Within the last two months we have met with the airlines and FAA air traffic control experts across the country and identified more than 4,000 restrictions and time-consuming routing requirements that have accumulated over the years. We are in the process of assessing which ones can be eliminated or modified to allow the system to work more efficiently with no degradation of safety. We already have examples -- one airline reports saving 800 pounds of fuel per aircraft per week at its major hub due to improved FAA procedures. Another airline has reported major reductions in delays at its largest hub, and another reports that its average taxi time at JFK airport in New York has been reduced by 9 minutes per flight. These are savings that will show up on the airlines' bottom line and in the form of better services to the public.

INTERNATIONAL LEADERSHIP -- We are committed to providing the US flying public with an equivalent level of safety and security no matter where they are traveling. We are doing this through a variety of programs, programs where we are directly involved, such as the security assessments which we perform worldwide, and the relatively new International Aviation

Safety Assessment Program, which assesses the ability of a country to oversee its carriers, according to its commitments under the Chicago Convention.

Our second clear international objective is to reduce the costs of the aviation system for our customers. In the case of the airlines, they are developing important markets in other regions of the world. For example, American carriers have captured about 56 percent of the traffic in Latin American over the last three years.

Finally, in the area of international aviation standard setting, it has been clearly established in all market sectors that the countries that establish the standards -- whether for computers, telecommunications or aviation -- provide an enormous advantage to their industry. While the FAA is not -- I repeat not -- a trade promotion agency, we believe that the adoption of the safety standards we set for our equipment and the use of equipment manufactured by US companies that meet these standards, advance safety and security worldwide.

Aerospace products have been the US's major export sector year after year, and if we expect to dominate the market in the future, the establishment of standards and introduction of new technology is a critical role of the FAA.

The FAA can no longer assume its job is only within our continental boundaries. Aviation is inherently international. International markets are critical to the future growth and profitability of the aviation manufacturing sector and our airlines. Also, the FAA has a key role to play in supporting

our industry, as well as, being the vigilant on behalf of the flying public's safety.

BUDGET -- Our overall budget for fiscal 1996 is about the same dollar total as we have in fiscal 1995, but with about a \$200 million reduction in purchasing power. Our staffing streamlining and consolidation of facilities will partially offset this flat budget through higher productivity.

Within the overall request there are several subtle but important shifts in emphasis. First, despite a planned net reduction of about 400 more people, we require an increase in our Operations budget of 2.7 percent to \$4.7 billion. The Facilities and Equipment budget is about 9 percent below fiscal 1995. The Research and Development program, at \$268 million, increases about 3 percent which about covers inflation, but which also reflects several shifts in priority. The Airport Improvement Program is being restructured as part of the Unified Transportation Infrastructure Investment Program (UTIIP).

OPERATIONS -- At \$4.7 billion, our operations budget accounts for a little over half (56 percent) of our total budget. Our operating costs are about 77 percent payroll-related, and most of the balance of \$1.1 billion is in largely fixed or mandatory costs such as telecommunications, rent, utilities, and maintenance costs for our equipment and facilities. The Operations budget is critical to real-time safety and performance of the air traffic control system, the inspection and certification of airlines, aircraft, pilots, and mechanics, and the security of our airports, airlines and their passengers. Due to its payroll-intensive nature, the need to operate 24-hours a day, 365 days a year, and all our streamlining efforts, the operating budget is very tight.

Normal inflationary adjustments and mandatory pay raises force our costs up by more than \$150 million in 1996 despite our downsizing and numerous other efficiencies to control costs.

Our operating costs also increase because we will be commissioning several hundred more pieces of equipment such as Airport Surface Detection Equipment, Terminal Doppler Weather Radars, Automated Weather Observing Systems, Instrument Landing Systems and others. The communications, maintenance, spare parts and training costs associated with these new systems require about \$61 million in addition to the base costs we incur. The operating budget also supports the addition of 261 new people to our safety inspection and certification workforce and 50 people to our airports organization. We are committed to assuring that grant recipients adhere to grant conditions regarding quality of construction work and airport revenue diversion.

FACILITIES AND EQUIPMENT (F&E) -- At \$1.9 billion, this is the lowest request for F&E funding that the FAA has sent to Congress since 1989. The maturing of several on-going procurements combined with the restructuring of the Advanced Automation System (AAS) program allows me to recommend this level with confidence. Highlights of the F&E budget include:

- In this year's budget request, the AAS has been segregated into three parts -- en route, terminal, and tower to increase program accountability for "like" products. The budget includes \$378 million for the projects that replaced AAS, down from \$418 million for comparable projects in FY 1995.

- Initial funding for the eventual replacement of all of the controller radar displays and radar processing computers at about 150 Terminal Radar Approach Control (TRACON) facilities. The Department of Defense will also procure this identical system to replace its aging ATC displays and processors. We call this joint program STARS or Standard Terminal Automation Replacement System and by early in the next decade all of the FAA and DOD systems will use the same hardware and software thus saving substantially in training, hardware and software support. Most of the hardware will be off-the-shelf equipment.
- We own and operate over 425 control towers and 208 TRACONs -- a major national aviation infrastructure. \$86 million is requested for the replacement of 19 control towers and 11 TRACONs as well as modernization of 39 control towers and 16 TRACONs. Some of these projects have been started in the last several fiscal years.
- This appropriation also funds about 2,250 workyears of FAA staffing and 1,365 workyears of contract engineering services which oversee the installation of new and replacement equipment in the field.

RESEARCH, ENGINEERING AND DEVELOPMENT -- The 1996 request for research and development is \$268 million. With these funds, the FAA develops and validates the technology for air traffic management as well as understanding the technology of commercial airline and general aviation aircraft. We conduct R&D in these areas to assist us in setting the standards for the manufacture and operation of aircraft. We are also the world's leader

in the technology of explosives detection. An initiative in 1996 is the installation and demonstration of new Explosive Detection Systems (EDS) and security screener proficiency evaluation and reporting systems at major airports. We will continue to make advances in Terminal Air Traffic Control Automation (TATCA) where we are developing new software tools which increase controller productivity and the efficiency of arrival and departure paths at airports. We have work underway for advanced techniques to monitor airport surface movements and improved communications through the Aeronautical Telecommunications Network and air-to-ground data link channels. We also support efforts in the use of non-destructive testing of aircraft, the study of human factors in the cockpit and in maintenance hangers, as well as certain efforts regarding the environmental aspects of aviation (noise and emissions). This appropriation also funds 703 workyears of FAA staffing.

AIRPORT GRANT RESTRUCTURING -- The Secretary is proposing that transportation infrastructure programs previously funded through separate modal grant programs, including airport grants, be consolidated and replaced by a single account called the UTIIP. Airport development will be eligible for funding from the proposed consolidated UTIIP. In addition, we are requesting funds to continue current Letter of Intent commitments.

USER FUNDING/TRUST FUND STATUS -- In fiscal 1996, we estimate that users will pay about \$6 billion into the Airport and Airway Trust Fund. When combined with interest earned on invested balances, the Trust Fund will realize \$6.7 billion in income in 1996. Of this, \$5.1 billion comes from the 10 percent ticket tax, \$353 million from freight waybill tax

collections, \$247 million from international departure taxes, and \$179 million from combined taxes on aviation gasoline and aviation kerosene used by general aviation. We intend to use \$6.4 billion of these funds to finance 70 percent of the FAA programs in fiscal 1996. The balance will come from the General Fund. The uncommitted balance in the Trust Fund stood at \$3.7 billion at the end of September 1994 and we project the balance to be about \$3.3 at the end of fiscal 1996.

The most important point to emphasize about the Airport and Airway Trust Fund is that the FAA is largely financed by the users of the aviation system, not by income taxes or the General Fund of the Treasury.

Mr. Chairman, that concludes my opening statement. I would be pleased to respond to any questions you may have.

**Talking Points for
Administrator Hinson
APRIL 9-10, 1995**

MESSAGE POINTS

1. SAFETY

Safety is our highest priority.

**2. FAA TAKES AN ENLIGHTENED
APPROACH TO SAFETY**

Constant steady movement.

More than 90% of FAA actions are preemptive.

3. SINGLE LEVEL OF SAFETY

The NPRM announced on March 24 sets "one level of safety" for all scheduled passenger-carrying flights.

This action fulfills my commitment to develop this new rule in 100 days.

This bold action has resulted in the most comprehensive and far-reaching rule ever developed by FAA.

4. REORGANIZATION

Restructuring will improve accountability and service.

5. TRAINING

The focus of nontechnical training is being shifted from personal development to performance-based job skills training.

TALKING POINTS

SAFETY

- Safety is our highest priority. And, it has also been one of our greatest achievements. In fact, safety is the fundamental thread running through everything FAA does.
- In fact, our goal is zero defects because America expect nothing less. I don't underestimate this challenge, and both government and industry are working hard to achieve this end.
- Last year, 516 million passengers flew in our skies. This was 8 percent more than last year and double the rate of growth we had forecast.
- Air travel has become so commonplace and accidents so rare that people take for granted that the system is essentially 100 percent risk-free.
- The seven fatal accidents which took 264 lives last year have shaken this confidence. And we, both you and I, now face the challenge of maintaining that confidence.

- Ironically, in purely statistical terms, the number of accidents in 1994 for Part 121 air carriers was the second lowest on record. The tragedy behind the statistics is that the number of fatal accidents increased from one in 1993, with one fatality, to four fatal accidents in 1994, with 239 fatalities. All four Part 121 fatal accidents occurred in the second half of the year. Prior to that time, the industry had gone 831 days, or two and a quarter years, without a passenger fatality.
- Commuters had their lowest number of accidents on record in 1994.
- Total accidents decreased from 16 in 1993 to 10 in 1994. The number of fatal accidents decreased from four to three. The number of fatalities in 1994 increased by one -- or 25 compared to 24 the previous year.
- Despite public perception, the statistics for 1994 show just how very little difference there is between the accident rates for large carriers and commuters. Our best estimate shows 1994 year-end rates measured by 100,000 departures are .25 for 121 operators and .35 for commuter carriers.

A TOMBSTONE MENTALITY: SLOW TO ACT

- To emphasize the FAA's commitment to safety, and my philosophy, we recently announced the selection of Christopher Hart as FAA's new system safety officer who will report directly to me.
- This new top-level safety analysis office will enhance the Agency's focus on aviation safety.
- In addition, during the past few months, the FAA has tightened regulations on Hawaiian air tour operators and forced carriers, Arrow Air, Leisure Air, and Kiwi International, to suspend operations until safety upgrades were made.
- In the wake of recent accidents, the FAA is conducting comprehensive safety inspections of all U.S. commercial carriers. The inspections are top to bottom examinations of how each air carrier addresses safety from the boardroom to the runway.
- For the first time, the DOT and FAA have made public their findings of safety assessments of foreign nation's civil aviation authorities. This program has prompted the FAA to prohibit several foreign carriers from flying into and out of the United States and provides valuable information for passengers who fly foreign carriers abroad.

- The agency is adding an additional 300 employees to its flight standards and aircraft certification workforces bringing the total to about 4,300 by the end of this fiscal year.
- In fact, more than 90% of FAA actions are preemptive -- steps we take to avoid accidents and improve safety.
- Last year, for example, the FAA issued more than 300 airworthiness directives prompted by our own inspections and analysis of safety information. Only about 10 of these directives were the result of NTSB recommendations *after* an accident.
- FAA conducts more than 350,000 individual inspections the FAA conducts every year.
- The FAA receives three times more NTSB recommendations than any other agency within the DOT.
- The FAA adopts more than 84% of all NTSB safety recommendations and 90% of all emergency recommendations. The board's recent recommendations on the ATR aircraft shows the FAA's strong commitment to safety. Those recommendations were adopted immediately.

SINGLE LEVEL OF SAFETY

- On March 24 the FAA issued a notice of proposed rulemaking setting “one level of safety” for all scheduled passenger-carrying flights.
- That action fulfilled my commitment to develop this new rule in 100 days.
- This bold action has resulted in the most comprehensive and far-reaching rule ever developed by FAA.
- Whether an aircraft has 10 seats, 100 seats, or 300 seats, the flying public will be assured that the equipment is the same, airline operations are the same, and the training and qualifications of the people are the same.
- This upgrade of commuter airline safety requirements will afford a higher degree of safety to passengers and will help bolster public confidence in commuter travel.
- In the past 20 years, commuter aircraft flight hours have climbed from 900,000 to more than 2.3 million annually. Commuter departures are up from 1.4 million in 1975 to 3.1 million today.
- FAA forecasts show that commuter travel is likely to triple by 2006.

- Such a major regulatory change involves a complex series of investigations, decisions and negotiations. This rule is the result of thousands of staff hours of information gathering, analysis, discussion and a complex series of decisions.
- The proposed rule is in direct response to public concerns about air safety and the tremendous growth in the commuter airline industry during the past 17 years -- the last time commuter safety rules were overhauled.
- While we have taken a comprehensive approach to this rulemaking there is more work to be done.
- This rule necessitates a new standard of safety for the airports which are served by the commuter airlines.
- We will forward legislation to Congress which gives FAA the authority to raise safety standards and require certification for smaller airports which are served by commuter airlines.
- To expedite the rulemaking process, pending Congressional action, an initiative has begun under FAA's Aviation Rulemaking Advisory Committee.
- A government/industry working group is now forming to recommend changes to the rules which govern commuter airports.

REORGANIZATION

Department of Transportation

- DOT plans to consolidate 10 agencies into three, divided roughly as air, land and sea.
- Coast Guard and FAA will continue as separate services.
- Surface transportation will be combined.
- DOT's proposed reorganization will cut the bureaucracy in half and save hundreds of millions of dollars.
- FAA is also determined to be leaner, but still fulfill our obligations to the flying public.
- This past year, some 3,200 employees accepted buy-outs, early-outs, or left for other reasons -- further attrition is planned.
- Staff reductions, budgetary constraints, and a growing demand for services led to a November 30 FAA reorganization.
- FAA is formed along the six operating arms of the agency, representing product and service lines.
- The reorganization streamlines how we do business and clarifies the lines of accountability.

Air Traffic Control Corporation

- Internal reorganization does not solve the systemic problems of burdensome personnel, procurement, and budget regulations.
- USATS would provide the ability to upgrade equipment faster, to make business-like investment decisions, and to hire people with the technical skills we need.
- The decision to create an air traffic control corporation ultimately lies with Congress and the President.
- If USATS is created the FAA will have 38,000 fewer employees and will save \$7 billion annually on our budget.

Prepared for David R. Hinson
Administrator
Federal Aviation Administration
Eighteenth Annual Awards for
Excellence in EEO
FAA Auditorium
April 13, 1995

Good afternoon.

I am particularly honored today to
present the Administrator's Award for
Excellence in equal employment
opportunity.

This is an FAA tradition which has been
carried on without interruption by all six
of my predecessors since the award
was first established during the
administration of President Carter.

As I read through the recommendations for each of today's eight award recipients, I was struck by the far reaching changes that have taken place within the FAA over the past 18 years...how we have changed -- not just as an organization, but as a people -- since the first set of EEO awards were given out.

The achievements of today's award recipients offer dramatic evidence of the way the FAA is vigorously reaching out..not only to remove the barriers to equal employment opportunity...but to make meaningful contact with the youth and the socially and economically deprived of our nation.

I'm thinking of Alan Jones, at the Mike Monroney Aeronautical Center in Oklahoma City, who is recognized by several Oklahoma schools and universities for his work in mentoring minority students and people with disabilities.

And Sheila Franklin Smallwood in Atlantic City who has been working as a mentor and tutor for students who have been identified as having a high risk of failing both socially and academically.

There's Stella Guerrero who led the Federal Executive Board in the Chicago area to address the barriers to employment of Hispanics by convincing Northeastern University to sponsor training and development seminars.

Le Anne Robbins, who manages the Airway Facilities Division in the Southern Region, provides outstanding leadership in EEO, affirmative action and diversity, resulting in the first-time placement of eight women in non-traditional roles in the region.

She personally mentors 12 individuals and has gotten 157 employees to participate in the regional mentoring program.

Then there is Scott Sorensen in Oakland, California, who was instrumental in persuading the NATCA Executive Board to pass a resolution condemning violence, harassment, and discrimination in the FAA workplace based on sexual orientation.

He has traveled, at his own expense, to various parts of the country promoting understanding and acceptance of gay, lesbian and bisexual employees and employees with AIDS or HIV.

Marcos Costilla is the Airway Facilities Division Manager in the Southwest Region.

Under his leadership, his organization developed the course requirements and sponsored professionally conducted Alternative Dispute Resolution training to create a cadre of trained mediators to resolve EEO complaints.

The process was used directly to resolve three formal EEO complaints and indirectly to resolve seven others.

Efrain Esparza works with an extensive network of EEO activists in the San Antonio, Texas, area to locate and recruit engineers and flight test pilots from industry, government and academia.

Although his regular job is a project manager in the Rotocraft Directorate, Efrain volunteers as an EEO counselor and is effective in resolving allegations of discrimination.

Jerry Long is a branch manager in the Civil Aviation Security Division in the Central Region.

Jerry is actively involved in the region's Heartland EEO Council addressing issues of EEO, affirmative action, and diversity throughout the region.

He was instrumental in developing the first Diversity Management Group in FAA's Security organization to support diversity by monitoring the work environment and the organization's values and standards in support of diversity.

These are people who have a profound realization that they live in a larger world for which they take more than their share of responsibility.

It is noticeable that fully half of the eight finalists we are recognizing today are supervisors.

They are proof that more and more, the ability to manage change is critically important to managerial success.

They, along with the other recipients, have contributed so much to making the FAA a more responsive organization.

Their commitment to the ideals of civil rights and diversity comes from the heart.

It is a reflection of our fundamental values as a society.

It is a principle which defines our very character as a people.

Not too long ago...when we first started talking about diversity..we saw our workforce as made up of a simple majority.

It wasn't quite that simple, of course. Even then, there were important differences which we didn't see or refused to recognize.

But now we are more aware of the complex nature of our society. And the people we are honoring today have done much to heighten our awareness within the FAA.

Each of them has helped us to make real progress in setting aside assumptions about one another based on racial, gender, or other differences that we bring to the work place.

This progress is due, in large part to the dedicated efforts of employees and supervisors such as those we are honoring today.

So whatever changes may take place within the FAA during the months ahead, I can assure you that there will be no retreat, no weakening of our resolve.

The FAA ten years from now will look very different from what it is today. And part of that difference will be its even greater diversity.

Thank you all. And my personal congratulations to each one of you who has been selected to receive the 1994 Administrator's Award for Excellence.

Not delivered

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TALKING POINTS
DAVID R. HINSON, ADMINISTRATOR
FEDERAL AVIATION ADMINISTRATION
CLOSE-UP FOUNDATION
APRIL 17, 1995

INTRODUCTION

- Welcome to Washington, D.C.
- It's a pleasure for me to meet with you today to discuss the roles and responsibilities of the Federal Aviation Administration.
- You are fortunate to have the opportunity to spend this time in Washington. Nothing beats "Close-Up" experience when it comes to understanding how your government works.
- I hope you will take back to your families, communities and schools a greater appreciation of government's role in ensuring the safety and liberty of the American people.
- I hope some of you also will consider a career in public service.

- It's important for our country that we attract young, bright people like yourselves to careers in government, whether it be at the local, state or national level.
- Public service is a noble and important career field. I have been lucky enough to spend my working life in the most exciting industry I can imagine: aviation. I started flying as a Navy pilot when I was 19 years old, and I went on to fly a lot of airplanes and to work for a lot of great aviation companies.
- I am also honored to have had the extraordinary opportunity to serve my country as the Administrator of the Federal Aviation Administration.
- Government service can be rewarding, not necessarily in monetary terms, but in terms of personal satisfaction. The important thing is to keep in mind the idea of "service."
- Regardless of whether you end up in government careers, this time in Washington will be valuable to you as citizens who will be involved in national and community affairs for the rest of your lives.

FAA RESPONSIBILITIES

- Now, let's get down to business -- what does the FAA do?
- The FAA's single most important function is ensuring the safety of people just like you. One way the FAA ensures your safety every time you board an airplane is through careful management of the airspace over the United States and its territories.
- Whether you realize it or not, you could not have flown to Washington without the help of the FAA.
- Before we go any farther, let's take a quick look at your flight to Washington from an air traffic control point of view.
- Before your plane even left the gate at the airport, the pilot talked to a ground controller, who gave permission for the aircraft to "push back" from the boarding gate.
- After push back, the ground controller cleared the pilot to taxi to the active runway.
- Just before takeoff, the ground controller "handed off" the flight to the tower controller, who then directed the takeoff.

- As soon as your flight was airborne, the tower controller handed the flight over to the departure controller, who, in turn, handed the flight to another controller at the FAA's en route center.
- Both the towers and the enroute centers talked to your pilots directly, through two-way radio communication networks that cover the entire United States.
- Air traffic controllers direct traffic in America's airspace, just as a police officer sometimes directs traffic on city streets. But instead of only telling pilots when to stop and go and where to turn right or left, controllers also must tell pilots when to climb or descend, how fast to fly, and a lot of other important information.
- Did any of you have the opportunity while you were on the plane coming here to listen to the conversations between air traffic controllers and the pilots?
- A pilot flying in U.S. airspace is never out of range of an FAA radio station, and never out of range of a controller day or night, 365 days a year.

- Now, as your flight progressed across the country and you were settling in to nap, eat, or watch a movie, your pilot probably was handed off to several en route controllers before being handed off again to an arrival controller here in Washington, D.C. And, from the arrival controller to the tower controller.
- Once you landed, the ground controller took over again and got you to the gate. Hopefully your luggage also made it to the gate -- but that's not something FAA controls.
- If I had to describe briefly what FAA is, I would say it is essentially about service -- service to the aviation community and the flying public.
- If I were boastful, I could say without fear of contradiction that the "service" FAA offers the aviation community is the best in the world -- but I won't say that.
- Maybe the best thing would be to tell you what we do at the FAA.
- Did you know that approximately 36,000 flights take off and land every day?
- There are well over 200,000 active aircraft in the U.S. civil fleet.

- And, last year about 555 million passengers flew on U.S. airlines.
- To make sure those flights were safe, the FAA conducted nearly 400,000 safety inspections last year.
- We conducted almost 1,000 aircraft and air personnel inspections every day.
- Also in 1994, the FAA issued more than 300 airworthiness directives, which are safety alerts on specific issues that could affect air safety.
- As you can see, our first priority is safety. Safety is the thread running through everything we do.
- That is why the FAA operates 24-hours a day, 365 days a year.
- To ensure that safety, it is our responsibility to:
 - Control air traffic and manage the U.S. airspace;
 - Operate airport towers, air traffic control centers, flight service stations, and radar facilities;
 - Research, develop and use state-of-the-art technology that improves safety and uses airspace more efficiently;

--And, issue and enforce safety rules.

- Those airports you traveled through to get to Washington deal with the FAA because we are also the agency that:

--Certificates airports;

--Develops and implements airport capacity enhancement programs, to help airports make sure they will have enough space for future growth;

--Oversees airport and airline security;

--Promotes civil aviation security worldwide;

--And, issues regulations on noise.

- In addition, to operating the national airspace system and regulating airports, the FAA sets standards for aircraft and people working in the aviation field.
- We also monitor the performance of air carriers and other operators.
- Any person involved in operating or maintaining aircraft must hold an FAA certificate.
- In addition to pilots, this requirement includes aircraft dispatchers and mechanics.

- Pilot and maintenance schools, and their instructors, must also meet FAA certification standards.
- The FAA also certifies that aircraft, engines, propellers, and other aircraft components are safe.
- We perform flight inspection of air navigation facilities.
- And, we issue operating certificates to airlines and manufacturers. On Wednesday, I'll be in Seattle to present an operating certificate to the Boeing Company for its new 777, the world's largest twin engine airplane.
- So, not only did FAA controllers guide your plane safely to Washington, FAA inspectors and safety personnel also made sure the plane and the crew members were safe.
- We are also involved in international aviation.

- Some of those activities are:
 - Negotiating agreements with foreign aviation authorities to make sure the same safety standards are being observed from country to country;
 - Certifying foreign repair stations, airmen and mechanics;
 - And, providing technical assistance and training to foreign authorities.
- To carry out our vast responsibilities, we have approximately 52,000 employees, operate a network of over 450 air traffic control towers, 22 air traffic control centers, and about 200 flight service stations.
- Over 16,000 FAA employees are operational air traffic controllers
- Ours is a dynamic organization, continually evolving to meet new demands and challenges.
- FAA must continue to meet the needs of a diverse aviation community that flies for transportation, recreation, and a host of specialized missions.
- That task is not always easy in these times of budgetary and staff reductions.

- But, the FAA, as it traditionally has done, is ready to meet the future and maintain one of the safest airspace systems in the world.
- I realize you didn't come here today to hear me talk, but rather to ask questions.
- So, I thank you for your time and attention, and I will be happy to answer your questions now.

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Talking Points
Professional Women Controllers 17th Annual Conference
April 18, 1995

- Many changes have taken place since I spoke to you last year. Secretary Peña has announced a sweeping DOT reorganization. Congress is considering legislation to create a new ATC corporation.
 - I'll talk about those changes in a moment. First, I want to mention some things that haven't changed. *
- Professional Women Controllers still does an outstanding job representing the interests of its members. Your group acts as a proactive resource helping to make a difference for controllers and other FAA employees in the field.
- The theme of this conference is "Celebrate." Certainly PWC can celebrate some splendid accomplishments in the past year:
 - PWC has promoted numerous valuable training activities. For example, I've heard many good things about the leadership symposium in Fort Worth that about 100 people attended.
 - I know that PWC was instrumental in establishing a child care center at the Olathe (Kans.) ARTCC.
 - PWC, in conjunction with FAA, has taught the "Expanding Your Influence," course throughout the country to help members and FAA employees "take control of their destiny. PWC President Dawna Vicars Smith and VP Pat Smith have taught the course called "Managing Change to Promote a Positive Environment" 12-15 times.
- You also can celebrate the special part that PWC women can play as role models in pushing open the doors of opportunity. Men still dominate the aviation professions. Young women need to see role models that look like them, talk like them, act like them.
 - I want to challenge you: Do everything you can to inspire young women to find aviation careers. It will be good for FAA, good for the new Air Traffic Control corporation, and good for America.
- FAA has made a strong commitment to diversity in the workplace. We are still striving for a workforce that "looks like America," including a greater percentage of women professionals.
- This year we mark the 50th anniversary of the end of World War II. During the war, women controllers entered towers and control centers for the first time, taking over for men who went into military service. Everyone agrees they did a magnificent job in that time of national crisis.

- But when the war was over, the men came back and reclaimed all but a fraction of their old jobs. There's a photo in the official FAA history taken at the Kansas City ARTCC in 1946. Sixteen people are in the photo; only four of them are women--25 percent.
- But look where we are today, almost 50 years later. We have failed to even equal that small number. Women make up just a little over 17 percent of the total FAA controller workforce. We have to better that situation, and PWC can help us do it.
- Increasing the number of women controllers, professional women, and minority professionals is good for FAA. A diversity of people generates a diversity of ideas. Innovation and imagination will be especially important in solving the challenges of air travel in the 21st century.
- In the past year, the faces of our own agency and DOT have begun to change. Change can be disquieting--especially this magnitude of change. You deserve the very best, very latest information. Facts are the best defense against rumors and speculation.
- I know two areas are on your minds: The DOT reorganization and the creation of the ATC corporation. More specifically, I know you want to know how these upcoming changes will affect you.
- I'll address the DOT reorganization first. Secretary Peña announced the new DOT structure in February. It combines 10 agencies with diverse functions into three more efficient, more responsive agencies.
- The Secretary chose a structure that establishes a "Land, Sea and Air" setup. This organization will accomplish three important goals :
 - It will get rid of red tape.
 - It will strengthen connections between safety programs.
 - It responds to Reinventing Government II. DOT is stepping up to severe budgetary and downsizing challenges. This reorganization goes a long way toward meeting Administration goals.
- * As a Department, we have to learn to do more with less. The reorganization by itself saves one-third of the \$1.5 billion DOT will save through 1999: \$500 million
- In the reorganized DOT, FAA maintains its traditional safety, developmental and regulatory functions.
- --This includes airport planning and programming, airport safety and standards, and airport capacity planning. We also pick up DOT Office of Commercial Space and some OST aviation functions.

- Most, if not all, of the DOT restructuring requires approval by Congress. Alternatives are being offered; notable is a plan recently introduced by Rep. Jim Lightfoot. Many details still must be worked out, such as:
 - the administration of a combined grants program
 - Consolidating administrative functions for greater efficiency
 - The structuring of regions for better service to our customers
- One key to the entire DOT effort is creation of an independent government corporation, USATS, to handle air traffic control services. Safety and regulatory functions would remain with FAA.
- USATS addresses three challenges--procurement, personnel and finances--that must be met more efficiently to handle the coming explosion in air travel.
- Just about everyone agrees that the current system needs reform. What's wrong with the way things are today?
 - Today's procurement system makes it almost impossible to acquire new technology in a timely manner. It takes 2-5 years for major procurements, a year for minor procurements.
 - The federal personnel system has trouble placing the right people in the right place at the right time. For example, it currently takes more than 100 days to select employees from OPM registers. Also the system doesn't offer enough rewards for good performance, nor does it adequately address substandard performance.
 - The current budget process forces us to plan for future needs without knowing how much money will be in the pot. It also takes too long to prepare budget. Lastly, these are austere times; today's federal budget climate makes it very difficult to be sure we can meet future ATC needs.
- Why is USATS a good solution?
 - It would run ATC operations like a business. They would be financed through the existing airline ticket tax, of which 85 percent already goes toward ATC operations. The corporation also would have authority to borrow from the outside to finance capital improvements.
 - * The market review of USATS performance will provide an incentive for good performance by the corporation.
 - USATS would have private sector-type employer-employee relationships. Its policies would avoid the undesirable aspects of the federal Civil Service regulations. It would make sure that opportunities exist for outstanding people to move up.

--Perhaps most important, USATS would avoid the bureaucratic red tape inherent in today's procurement process. The corporation would be able to get up-to-date equipment without years-long delays. It would be much easier to get the best and cheapest deal from suppliers.

* Corporatization will bring the latest technical improvements on-line more quickly and cheaply than is possible under current federal structure.

* USATS would be able to work more innovatively with aviation and aerospace industries than is now possible under federal procurement regulations.

- There are precedents in other countries. ATC is corporatized in the U.K., Spain, and South Africa. Canada, Austria, Ireland, Italy and Portugal are considering the switch.
- With the new FAA structure implemented last December, we are well-positioned to make these changes. We planned for just such an eventuality.
- Safety will remain the top priority
 - FAA will continue to oversee and regulate safety.
 - USATS will enhance safety, because the system will be more efficient and productive, and will be able to accelerate implementation of new technology.
- Where are we now? Legislation for USATS was recently introduced by Rep. Norm Mineta. Three committees must study the proposal; approval will be an involved process. But I want to stress that it has the full support of President Clinton and Vice President Gore.
 - Once approved by Congress, the corporation could be in place within 12-18 months. That is our goal.
- How will all these changes affect you?
 - Whether ATC is corporatized or remains under FAA control, there always will be a need for your services. The jobs will be there.
 - The corporation will have greater flexibility and creativity in managing people and the funding base will be more stable. There may be ever better opportunities for women and minorities to move up once the dust settles.
 - Talented people will always have the chance to progress as far as their abilities can take them within FAA. In the corporate world, where I came from, that's equally true--perhaps even more so.
 - You are Professional Women Controllers, with the emphasis on professional. Continue to do the absolute best professional job possible, and you'll advance no matter what structure is finally adopted.

DAVID R. HINSON
FAA ADMINISTRATOR
REMARKS FOR BOEING 777 TYPE CERTIFICATION
SEATTLE, WASHINGTON
APRIL 19, 1995

- Boeing President Phil Condit is calling today's ceremony a "celebration" -- and no wonder. For the past five years, the FAA and the JAA have forced Boeing to test and retest the safety, performance and reliability of this airplane in every conceivable way.
- We have put the Boeing 777 through the most comprehensive certification process in aviation history, and in test after test, the airplane has performed extremely well.
- The Type Certificate that Secretary Peña and I are presenting to Boeing today is the U.S. government's seal of approval for an airplane design that has demonstrated repeatedly, and beyond question, that it is safe and airworthy.
- I think every Boeing employee who has taken part in the design and construction of the 777 deserves to celebrate.

- You know, I've spent my entire career in aviation. I've been flying airplanes since I was 19 years old. It's always exciting when a new airplane -- with new capabilities and new design features -- joins the fleet. It is also a remarkable achievement.
- I don't have to tell anyone here about the money, time and hard work the Boeing Company has invested in making this airplane fly. What may be less evident is the FAA's investment in making this airplane safe.
- Boeing's innovative design and engineering of the 777 challenged the FAA to develop a certification process flexible and efficient enough to ensure comprehensive testing of the new airplane and full compliance with the agency's rigorous safety standards.
- The ongoing challenge for government agencies like the FAA is to provide state-of-the-art testing and evaluation for state-of-the-art technology and design. To do that, we must develop regulatory processes that keep pace with industry advances. The FAA has met that challenge.
- To certify the Boeing 777, FAA employees have invested more than 84,000 hours -- approximately twice as many resources as the agency has invested in any other certification program.

- Because the 777 is a brand new airplane and subject to the latest regulations, the FAA was involved more deeply and directly in every phase of the certification program. Since this was the first time many of these regulations were being applied to a new aircraft, we wanted to make sure everything was done exactly right.
- The FAA was also involved *earlier* in the design phase of the 777 than we ever have been on any other project. This was at Boeing's request, and we can see in hindsight that it paid enormous dividends. We were able to alert Boeing early to design areas that might pose potential problems or delays in certification -- and that made everybody's job easier.
- Throughout the aviation community there is growing emphasis on the idea that safety is a shared responsibility -- that it requires the hands-on, eyes-open commitment of every person who designs, builds, operates, services or repairs aircraft.
- The FAA supports that idea. But although government and industry have a common goal of 100 percent safety, and we share the responsibility for achieving that goal, our roles in the process are very different. We never lose sight of that.

- But when we all do our jobs right, the result is an extraordinary airplane like the one we see here today -- certified airworthy and ready to fly.
- And that's a good reason to celebrate.

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April 28, 1995

PRESIDENT CLINTON'S REGULATORY REINVENTION INITIATIVE
GRASSROOTS PARTNERSHIPS
MEETING AT THE NATIONAL INSTITUTE FOR
AVIATION RESEARCH
WICHITA STATE UNIVERSITY

Administrator Hinson's Opening Remarks

First, let me thank Wichita State University for hosting this meeting today, and thank all of you for joining us. As you can see I am well supported by representatives from flight standards, aircraft certification, airports, -----.

Let me begin by saying that the President is very serious about reforming how government regulates the public, and has made re-inventing the regulatory process and making major improvements in the way it serves the American people one of his highest priorities. I share his concerns and have accepted his challenge to government agency heads that we go out and meet with the individuals, businesses, and others who are affected by our regulations, and strengthen our partnerships as we try to solve the problems that affect all of us.

Members of my staff and several of the front-line regulators met two weeks ago with the general aviation community at the Experimental Aircraft Association's Annual Fly-In. I thought it was a good meeting. We learned some things that we were not aware of, and we were reminded of some issues for which we have yet to find meaningful solutions. All of the information we received was valuable and we wish to continue the dialogue wherever we can.

Prior to that we had a good session with the repair station, quality control, and maintenance communities at the Aeronautical Repair Station Association Annual Symposium. The agency's experts in aviation safety inspection and parts approval and similar disciplines joined me and we listened, and responded where we could give an immediate answer to participants' comments.

Those earlier meetings and your presence here today are proof that there is a real need and a willingness to come together and work harder to find better ways of ensuring that aviation is as safe as we possibly can make it.

We have worked as partners in a number of ways and have accomplished a great deal through those partnerships.

- As many of you know, the FAA published recently the results of an activity where we asked you to tell us which regulations you thought needed changing or eliminated. The effort became known as "Hate-a-Reg." We have since taken steps to schedule similar reviews. We will seek your input of how often we should ask you to identify the top three of four regulations that concern you the most.
- And there is the Aviation Rulemaking Advisory Committee or ARAC. Amazingly, ARAC is fast becoming the primary means by which the FAA accomplishes its rulemaking objectives. What began as an experiment never before tried in government has grown into a

partnership that includes more than 500 FAA and industry personnel who are active in over 60 working groups working on over 130 tasks.

The President has challenged us to create new partnerships wherever we can, and to enhance the partnerships that we currently have. And how do we accomplish this? By continuing to work together to seek new opportunities for teamwork. I am asking you to join me today and let's brainstorm ways in which we can forge new partnerships.

I would like to begin by hearing your impressions of how things are.

1. Are we doing anything that we should not be doing, and conversely, what should we be doing that we are not doing?
2. How can the FAA improve its process for developing regulations?
3. What can the agency do to ensure compliance with the regulations without placing a heavy burden on you?
4. Is it worthwhile for the FAA to periodically seek your advice on which regulations concern you the most in the manner we did in the "Hate-a-Reg" effort?
5. How is the ARAC process working in terms of building partnerships, gaining consensus, and reducing the regulatory burden?
6. What is working in our relationships and what is not working?

My staff and I are anxious to hear your ideas on how to improve our partnerships. Please think about these questions and any others that come to mind that could help us find better ways of regulating aviation. We have made available survey forms that you can use to make recommendations or

suggestions and we run out of time and you do not get the opportunity to speak.