Remarks Prepared for
David Hinson, Administrator
Federal Aviation Administration
WAAS Contract Press Conference
August 3, 1995

Thank you Secretary Peña, and good afternoon ladies and gentlemen.

I am glad you were able to attend today, because this is such an important announcement for the Department of Transportation and the FAA.

In fact, I believe that this announcement is one of the most important in the history of aviation.

It signifies the beginning of new era for aviation, an era determined to make the most out of new technology -- to make that technology work for us.

It also signifies the results of many years of working with industry to test and demonstrate the feasibility of GPS.

In fact, the rigorous development and testing process has established the FAA as the world's leader in applying advanced technology to aviation.

The FAA has taken the lead within the international aviation community to foster the development of a truly Global Navigation Satellite System.

We are working closely with the International Civil Aviation Organization (ICAO) to create a permanent worldwide solution to the problems of precise navigation and maximum air space efficiency.

The international community has agreed that the future communication, surveillance, and navigation system will be space-based. The United States led the world in developing this technology during the Cold War. Now, we're again taking the lead in sharing the results of our labors with an increasingly cooperative and increasingly globalized aviation community.

The Wide Area Augmentation System (WAAS) is the first major augmentation to the basic GPS system. It will facilitate the use of satellites for navigation in United States airspace.

Both the Secretary and I have iong been committed to increasing safety through technology.

To move ahead, we must embrace the new, and the Global Positioning System (GPS), augmented by WAAS, is the best the future offers.

In fact, because of the interest and cooperation of the President, Congress, and DoD, we will be able to field the system two years earlier than scheduled.

As early as 1998, GPS could be used as a primary means of navigation throughout the United States.

GPS is truly a national utility. Its uses go far beyond aviation. It is used by railroad engineers, mariners, farmers, soldiers, surveyors, and host of others to enhance and improve the way they do their jobs.

As you know, in the last two years, we have authorized use of GPS for supplemental navigation here in the U. S. and for primary navigation on oceanic and remote routes.

Working in partnership with the aviation community, the FAA has pioneered the use of GPS navigation for the national airspace system.

More than 3,650 airports now have certified non-precision GPS approaches. We're working with state aviation directors to publish 500 or more GPS-unique approaches every year.

We have also solved tough issues to arrange an agreement with DoD that guarantees GPS availability to civil aviation.

This WAAS contract represents the next step.

I don't want to go into a lot of details about the WAAS -- I'll leave that to a video I'll show you later and, by the way, copies of that video will be available after the news conference.

I do, however, want to give you a quick overview of the significance of this technology.

This contract calls for the development and fielding of a network of approximately 35 ground stations across the United States, at the air route traffic control centers and selected other air traffic sites.

These stations will receive signals from the GPS satellites. Since the ground stations are in a fixed position, they can report any variations in the GPS signal.

Our constellation of 24 GPS satellites currently provide position information that is accurate within 100 meters. Using WAAS that accuracy rate will be lowered to approximately seven meters, providing pilots even more exact position information.

The most amazing thing about this technology is that the entire process, from GPS satellite to WAAS and then ultimately to the pilot takes less than six seconds.

To put it simply, WAAS greatly improves the integrity, availability, and accuracy of the satellite signals, allowing GPS to be used as a primary means of navigation across the United States.

WAAS sets our nation on a course to a new and rewarding navigational capability, one that will lead us to a space-based navigation system capable of serving all phases of flight, from takeoff to en route, to approach, to precision landing.

As the Secretary has already pointed out, the benefits of WAAS will be significant -- it will benefit both passengers and airlines, while at the same time increasing safety and efficiency.

With GPS, the FAA is building a safer and more efficient air traffic management system for the future.

And, WAAS is a cornerstone of that future design.

It will transfer our current ground-based navigation system to one that is space-based--one that is in keeping with the advanced technology that will guide our nation's airspace system into the 21st century.

This truly is an exciting time for the FAA, the aviation community, and anyone else using any type of transportation interested in accurate navigation.

When fully implemented as an integrated, global system, the possibilities become virtually unlimited.

GPS, the new navigational star, is showing us the surest and safest route to a seamless global navigation system.

The future has arrived.

Now, I would like to show you a short video that will give an excellent overview of how the system will work.

Before we open the floor to questions, I'd like to introduce FAA's newest partner, Don Welde, President and CEO of Wilcox Electric Incorporated.

TALKING POINTS
DAVID R. HINSON, ADMINISTRATOR
FEDERAL AVIATION ADMINISTRATION
OFFICE OF COMMERCIAL SPACE TRANSPORTATION
BRIEFING
August 7, 1995

- Good morning and thank you all for coming. I am pleased to announce today that effective October 1, the Office of Commercial Space Transportation will be joining FAA as its seventh line of business.

- The Office of Commercial Space currently reports directly to the Office of the Secretary of Transportation.

- The transfer of OCST to FAA marks the beginning of the Department of Transportation's restructuring effort that was announced late last year.

- One of DOT's restructuring goals is to create a smaller organization that operates more efficiently and with less duplication.

- The transfer to FAA makes smart business sense. OCST's safety licensing activities parallel most of FAA's aircraft, airspace, and airport safety regulatory activities. While the FAA oversees and regulates the safe operation of civil aircraft, the OCST oversees and regulates the safe operation of space launch craft and spaceports.

- The transfer of OCST is consistent with the Clinton Administration's goal of making the nation's high technology industries internationally competitive.

- Since the FAA is considered to be a world leader in this arena, there are many experiences that can be shared with OCST.

- Commercial space and aviation activities are both growing industries that face tremendous challenges as we move into the next century. I am confident that by combining the resources of FAA and OCST, we can face those challenges.

- OCST joins the FAA during an exciting time. This year, U.S. commercial lift-offs could, for the first time, exceed the number of government launches in a single year.

- There is a common thread between FAA and OCST -- and that is safety. Safety is the number one priority for both organizations. Both are tasked to ensure that the respective entities operate in a safe and responsible manner.

- OCST was established in 1984 to license and regulate all U.S. commercial launch activities to ensure they are conducted safety and responsibly.

- With us here today is Frank Weaver, director of the Office of Commercial Space, who I have asked to say a few words about his organization and what this transfer means to him and the dedicated professionals of the Office of Commercial Space.

AOA-1 TALKING POINTS

INCREASED AIRPORT AND AIR CARRIER SECURITY MEASURES
AUGUST 9, 1995

- The FAA is requiring an increase in security measures applied by both airports and air carriers within the United States.

- The decision to increase security is based upon sensitive information provided by federal law enforcement and intelligence agencies combined with the current state of affairs.

- There is no information at this time to suggest that airlines or airports are specifically threatened. However, it is reasonable and prudent to ensure that additional measures are in place to prevent or deter possible criminal or terrorist acts against civil aviation.

- All passengers are encouraged to be on the alert for any suspicious, unattended bags, parcels and other items. Passengers may be required to answer questions about their luggage, and should be aware that both carry-on and checked baggage are subject to inspection. I ask for their understanding and cooperation during this period of increased security.

- These increased security measures will be maintained as long as necessary and adjusted as appropriate.

Press Guidance for AOA-1
Questions and Answers on Increased Security
August 1995

1. How wide-spread is the current threat?

Answer: Additional security procedures will be implemented nationwide. We are in constant contact with the intelligence and law enforcement agencies to measure the changing threat conditions. We will make appropriate adjustments to security measures based upon our assessment of this information.

2. Are the measures being imposed as a result of Sheik Rahman's trial? Marzuq?

Answer: I am not able to comment on any ongoing investigations or criminal proceedings.

3. Are these measures connected to the UNABOMBER?

Answer: These measures are not tied to any specific activity or any single event.

4. What are the additional measures?

Answer: Some measures--such as an announcement to passengers to control their bags or the questions that may be posed to passengers about their baggage--will be apparent to travelers. Other measures will not be noticeable to those not working in the aviation industry. For obvious reasons, we do not serve the public interest by disclosing these measures.

5. Will the measures cause delays or inconvenience the traveling public?

Answer: The measures we are now imposing should cause few, if any, delays and be of minimal inconvenience to the public.

6. Are these measures adequate to ensure public safety?

Answer: The FAA believes these measures are prudent and necessary, and that they provide proper protection for the public. Should we receive more information indicating that the situation has changed, we will adjust our measures accordingly.

7. When you say adjusted, what do you mean?

Answer: There are certain security measures that are always in place. We have the ability to impose stronger measures or remove them as needed.

8. How long will these measures be in place?

Answer: These measures will remain in place as long as necessary. When the U.S. Government's assessment of the situation changes, so will the measures. They can be made more or less stringent as the need requires.

9. Are these measures on a par with those imposed during the Gulf War?

Answer: Since the Gulf War, this is the first time we have implemented increased security measures by all airports and air carriers in the United States.

10. Are these measures related to Oklahoma City?

Answer: No.

11. With the increased security measures, do you recommend that passengers arrive at the airport early?

Answer: We expect these measures to be a minor inconvenience to the public, but, at busier locations, it may be prudent to allow additional time to check in. You can contact your air carrier to determine if an earlier arrival is necessary.

12. Will the FAA increase its activities at airports?

Answer: The FAA will monitor and assist air carriers and airports in implementing the security measures. Under certain conditions, the FAA will, in fact, increase inspections.

13. Why don't we have positive bag matching?

Answer: We do not talk about the specific measures we have in place.

14. Are adjustments being made to security measures for U.S. carriers operating overseas?

Answer: At this time, the measures we have in place are appropriate. We continually review and adjust the security measures for U.S. airlines operating overseas.

15. Will foreign carriers augment their security measures?

Answer: Some foreign air carrier flights operating to and from the United States are affected by these measures.

16. Is it safe to fly?

Answer: Yes. We believe that the measures we have put in place to address this threat will continue to ensure the safety of the flying public. If we thought it was unsafe, we and the airlines would cancel flights.

17. Has the failure of the FAA to put security measures in place after Lockerbie posed a greater risk to the traveling public today?

Answer: The FAA has incorporated in the airline and airport security programs additional measures as required by the Aviation Security Improvement Act of 1990 (P.L. 101-604).

18. Why have you not deployed explosives detection systems to screen checked baggage?

Answer: The first explosives detection system passed a rigorous national certification test last December. The FAA is working with airlines to deploy some systems to demonstrate their suitability in the demanding airport operational environment.

ACS/APA
August 9, 1995

FAA News

Federal Aviation Administration

For Immediate Release
Saturday, August 12, 1995

Contact
Arlene Salac
718/553-3010

In coordination with the Federal Aviation Administration (FAA), the New York Port Authority today elevated security measures at the Authority's airports. This action is based on information received from law enforcement agencies and applies to John F. Kennedy, LaGuardia and Newark airports.

The most noticeable additional security measures affect parking at or near terminal buildings. Vehicles entering parking structures may be searched, unattended vehicles at departure and arrival loading and unloading areas will be towed, and some parking areas may be closed.

Passengers should plan to arrive early to allow sufficient time to locate available parking.

These measures are in addition to those put into place nationwide earlier in the week. Measures will remain in place as long as necessary.

We cannot offer additional details as more specific information on security measures being taken could compromise safety.

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Press Guidance for FAA Security and Public Affairs Offices

Questions and Answers on Increased Security in the New York Area

August 12, 1995

1. Has there been a specific threat?

Answer: The information we have received from law enforcement authorities makes it prudent to implement certain measures. It is inappropriate to discuss the nature of the threat further.

2. How wide-spread is the current threat?

Answer: The additional security procedures apply to the New York City area only. It is localized. We are in constant contact with law enforcement agencies to measure the changing threat conditions. We will make appropriate adjustments to security measures based upon our assessment of any changes in the information.

3. Are the measures being imposed as a result of Sheik Rahman's trial or the arrest of Mr. Marzuq?

Answer: I am not able to comment on any ongoing investigations or criminal proceedings.

4. What are the measures being applied to airports in New York?

Answer: The measures announced (by Secretary Peña) last Wednesday--such as an announcement to passengers to control their bags or the questions that may be posed to passengers about their baggage--will continue and be apparent to travelers. In addition, parking at JFK, Newark and La Guardia airports may be restricted, and vehicles left unattended in loading/unloading areas will be towed. Patrols have been increased. Other measures will not be noticeable to those not working in the aviation industry. For obvious reasons, we do not serve the public interest by disclosing these measures.

5. Will the measures cause delays or inconvenience the traveling public?

Answer: Again, the measures announced last Wednesday should cause few, if any, delays and be of minimal inconvenience to the public in New York or other cities. Parking restrictions at New York airports will cause some inconvenience.

6. Are these measures adequate to ensure public safety?

Answer: The FAA believes these measures are prudent and necessary, and that they provide proper protection for the public. Should we receive more information indicating that the situation has changed, we will adjust our measures accordingly.

7. When you say adjusted, what do you mean?

Answer: There are certain security measures that are always in place. We have the ability to impose stronger measures or remove them as needed.

8. How long will these measures be in place?

Answer: These measures will remain in place as long as necessary. When the U.S. Government's assessment of the situation changes, so will the measures. They can be made more or less stringent as the need requires.

9. With the increased security measures, do you recommend that passengers arrive at the airport early?

Answer: We expect these measures to be somewhat inconvenient to the public, so it may be prudent to allow additional time to arrive at the airport and check in. You should contact your air carrier or call the New York Port Authority Information Office to help determine if an earlier arrival is necessary.

10. Will the FAA increase its activities at airports?

Answer: The FAA will monitor and assist air carriers and airports in implementing the security measures. Under certain conditions, the FAA will, in fact, increase inspections.

11. Is it safe to fly?

Answer: Yes. We believe that the measures put in place to address this threat will continue to ensure the safety of the flying public. If we thought it was unsafe, we and the airlines would cancel flights.

ACS/APA
August 12, 1995

TALKING POINTS FOR DAVID R. HINSON
FAA INTERNATIONAL REPRESENTATIVES ANNUAL MEETING
INDUSTRY DAY FORUM
BALTIMORE, MD
AUGUST 12, 1995

INTRODUCTION

Good Afternoon.

- I want to thank our international representatives for the important work they are doing for all us. I also want to thank all of you from the industry for joining us.

- Our expanding international role involves the participation of many people throughout the agency. These meetings give us all a chance to get to know each other better. They give us a chance to talk about the problems we foresee in the new global environment, and what we can do to solve them. And they give us a chance to catch up on the rapidly changing events that are taking place in aviation right now.

THIS AFTERNOON'S TOPICS

- This month marks my second anniversary at the FAA.

  It has been an eventful two years. So eventful, in fact, that we need to step back now and then to reflect on how far we've come and to reassess how far we still have to go.

o I don't imagine you want to hear about everything that's happened since I first set foot in the door. But I would like to report on some of the more important achievements of the past few months and about the work still to be done.

o As aviation continues on the course of global integration, much of what we do requires greater coordination and cooperation with our corresponding agencies abroad.

Let me tell you about some of those activities first.

Technical Assistance

o Just in the past two years, we have set up new international area offices in Singapore and Miami, and we've placed reps at Moscow, Beijing, and Sydney.

We concluded an agreement with Russia, giving the U.S. access to two shorter, more efficient North American to Asian-Pacific routes through Russian airspace.

And we're coordinating with civil aviation authorities in Canada, Russia, China, and Japan to develop fuel efficient, great circle routes between North America and the Orient.

- During my visit to China and Japan last November, I signed agreements which should make it easier for us to exchange information with these two important aviation partners.

  We now have close to 384 agreements for technical cooperation or aviation development with nearly one hundred countries.

  Let me give you another recent example: We have signed bilateral agreements with 12 countries and with Eurocontrol to share the technical information and resources needed to move forward with the full Global Navigation Satellite System endorsed by ICAO.

- Last October, I reaffirmed ... and ICAO accepted ... the U.S. offer to make GPS available, at no charge, as a first step in achieving the ICAO global system.

  Brazil has already taken us up on that offer and interest is growing around the world.

  Just within the last year, we have hosted seminars for officials from the Asian-Pacific, Latin American and Eastern European regions. Some of you took part in those.

- As more and more countries look to us for help, we will be turning to you to help fill the gap between what we need to do and what we have the resources to do. Many of you are doing this already, and I thank you for it.

o In an average year, the FAA will host some 1,200 visiting aviation officials from around the world ... providing first hand exposure to the operations and standards of our system.

Technical assistance is one dimension of our international efforts. Harmonization is another.

Harmonization

o No doubt most of you are familiar with the FAA's efforts with the Joint Aviation Authorities of Europe to harmonize our regulatory standards. The aim to get rid of duplicate requirements that add nothing to safety but create a costly burden on the aviation manufacturing community.

Last year, with your help, we concluded several years of effort with the JAA to simplify the certification of small planes.

o Lately, we have begun promoting these same principles with our non-JAA partner countries.

We have discussions underway to establish regional groups to harmonize safety regulations, for example. And we hope to expand the Bilateral Airworthiness Agreement with the People's Republic of China to allow the acceptance of small Chinese-built aircraft in the U.S.

o The global aviation system that is emerging will eventually compel the world-wide community to harmonize airworthiness standards.

This applies not only to the areas of design, production, and original airworthiness certification, but to the continued airworthiness of aircraft and their related parts.

We recently broadened our harmonization campaign to encompass more than the certification standards. We're including the policies, practices, and procedures that actually implement the regulations as well.

And we are pursuing innovative Bilateral Aviation Safety Agreements to encompass such fields as flight operations, training, and maintenance.

o Before I move on, let me just say that, in the area of international aviation standard setting, it has been clearly established in all market sectors that the countries that establish the standards provide an enormous advantage to their industry.

o The FAA is not a trade promotion agency. Our primary job is safety. But the FAA can no longer assume that its job is only within our continental boundaries. Aviation is inherently international. And international markets are critical to the future growth and profitability of this industry. We have a role to play in supporting this growth ... in the international arena and here at home.

Restoring Industry Vitality

- Two years ago, the airline industry was still struggling to overcome the biggest financial losses in its history. This year, most airlines are showing a profit. Some are reporting their highest second quarter earnings ever.

- General aviation is also showing signs of recovery. GAMA reports that January to June sales of piston-engine aircraft are up 10 percent over the same period last year.

  This year, Piper Aircraft came out of bankruptcy. And Cessna broke ground for a new plant in Independence, Kansas, that will produce up to 2,000 aircraft per year by 1998.

- Much of this turnaround is due to the strong economy. And to the landmark product liability reform bill which the President signed into law last year.

- But all of us have had a part in this recovery.

- Shortly after I arrived at the agency, I introduced the FAA's first-ever policy to revitalize general aviation. Then we worked with the General Aviation Coalition to produce a comprehensive new plan outlining what we are prepared to do to help build a strong GA sector.

- The FAA has acted on the blueprint for recovery crafted by the Airline Commission. Such as weeding out or revising costly regulations that do not affect public safety and speeding the introduction of GPS.

  We either have, or will, take action on about 80 percent of the Commission's recommendations.

  The airlines have restructured their operations to make them leaner and more cost efficient.

  We may not out of the woods yet, but we are on the right path.

SYSTEM MODERNIZATION

- We must continue to lower the cost of flying. And new air traffic control technologies and procedures will give us that opportunity.

- GPS. In the last two years, we have made GPS an indispensable part of our NAS architecture.

  Pilots can perform non-precision approaches at 2,500 GA airports using the basic GPS signal and a certified receiver.

  At locations where the enhanced differential GPS signal is available, you can fly a Category I precision approach.

o Furthermore, the results are now in. After completing more than 400 successful autolands in all sizes of aircraft, tests conducted by Wilcox, E-Systems, Stanford and Ohio Universities show, conclusively, that we can achieve Category III approaches and landing accuracy with differential GPS.

I plan to talk about this at the ICAO Assembly next month.

o WAAS. Ten days ago, we awarded a contract to (insert name of company) for the Wide Area Augmentation System. Once WAAS is operational, GPS will be fully usable in the U.S. for all phases of flight. (Including Category I approaches without the aid of Differential GPS.)

WAAS will improve the GPS signal accuracy from 100 meters to about 7 meters. With this degree of positional information, we can offer pilots greater flexibility in selecting more direct, wind-optimized routes that save fuel and shorten flight times.

And it opens up an array of options during arrival or departure that will allow airports to handle more flights ... again saving the airlines time and fuel.

And we can do all this with equal or greater safety, and at far less cost than with today's ground-based systems.

o This past June, the FAA and Quantas Airlines successfully completed the first operational trials of the GPS-based communications, navigation and surveillance system. Or what we call FANS-1.

The system uses two-way satellite communications to provide, for the first time, direct pilot-to-controller communications over oceans and other remote areas normally out of range of ground-based stations.

o Oceanic Data Link. Then, two weeks ago, we installed a new enhanced oceanic sector work station at Oakland Center. Controllers now have far better capability to manage flight plan data and aircraft position reports than they had with the 1960s technology they had been using.

The prototype work station is the first phase of the Oceanic Data Link System which we are installing at our Oakland and New York Centers this year.

o Once all the pieces are in place, we can reduce the current 120-mile separation between aircraft flying oceanic routes.

GPS, FANS-1, and oceanic data link are core technologies which will eventually give pilots the flexibility to operate over the oceans without specific routes, speed, or altitude clearances.

What we call "free flight".

o Free Flight. We've been gradually introducing this concept in the domestic airspace for a little over a year now.

Our National Route Program lets pilots file and fly direct, user-preferred routes at altitudes above 29,000 feet (FL 29.0). This option is available now to some 13,000 flights. We estimate that the program saved participating airlines more than $40 million last year alone.

o DCCR. I announced a few days ago that we will replace the display channel computers at our five busiest centers. This is a stop-gap measure which can be in place by 1997 – 16 months earlier than our best estimates for the permanent replacement.

We could wait until 1999 for the permanent replacement, or we could invest $35 million in the contingency system. I decided to go ahead now, rather than burden the industry and our controllers with the risk of costly system delays.

REGULATORY REVIEW

o These are some of the ways that we are using technology to help lower the cost of flying, increase capacity, and enhance safety.

We are also taking a new look at our regulatory process.

- Last December we released the final report on our "Hate-a-Reg" project, which asked the public to identify regulations which could be eliminated or revised without affecting public safety or security.

  We received 426 recommendations from 184 commenters.

  We have already taken action on some of these recommendations, in areas such as drug testing and airport security.

- A month ago, we unveiled "Challenge 2000": a comprehensive review of the FAA's regulation and certification capabilities. We want to take a good look at what we need to successfully regulate the aviation industry and certify rapidly changing technologies.

  To help us do this, we've hired (Name of Company) to conduct an independent examination of our regulatory and certification processes.

- Regulation is still the foundation for aviation safety, and we will continue to take responsible steps to build on that framework. Our goal is to make the system safer, and the process less onerous.

  Peter Drucker tells us there is a big difference between doing things right and doing the right thing. But there is no reason why we can't do both.

SAFETY

- All of us who are involved in civil aviation have a responsibility to make air travel as safe, efficient and inexpensive as possible – within our borders and internationally.

- "Zero Accidents". This past January over 1,000 aviation professionals attended our safety summit. Our goal was to work together toward permanent change of thinking about safety: a goal of "Zero Accidents".

  That conference led to a Safety Action Plan that we released in February. So far we've met all our 1994 milestones and we're on schedule with those remaining. As promised, we plan to issue a report on about two-thirds of these initiatives early in October.

- One Level of Safety. In March, we proposed a rule to bring commuter airlines up to the safety standards of the major carriers. We're evaluating the comments now and we will publish the final notice before the end of the year.

- International Aviation Safety Oversight. Last year, we provided the public with information from safety assessments which we performed in 31 nations. All countries who operate air carriers have agreed to adhere to the safety standards set out by ICAO. Those that do not abide by those standards will not be allowed to operate in the U.S.

Safety promotion is best accomplished by governments and industries working together. It now appears that the ICAO member states have reached an agreement which we believe will allow ICAO to pick up the work begun by the FAA on assessing safety.

THE BUDGET

- The achievements that I've been discussing all have common thread. The vast majority came about because we combined our efforts to make them happen.

- The doubling of air travel, world-wide, over the next two decades compels us to achieve even higher levels of safety, capacity, and efficiency than we have today.

  This means we have to greatly intensify our efforts, even as our resources become more constrained.

- Under the current Joint Budget Resolution in Congress, the FAA is facing a cumulative 7-year deficit of $14.2 billion less than it will need to provide essential services.

- All of us realize how important it is to balance the budget. We accept the necessity of strict discipline in our spending.

We've already downsized by 5,000 positions – a process which has streamlined our organization. But we have little or no cushion left. If the budget that I have seen is enacted, we will no longer be able to shield our technology programs and safety work force from the next round of cuts.

USATS

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

- Other alternatives have been offered – from taking the trust funds off budget ... to total privatization ... to an independent FAA ... to various combinations of these options.

CONCLUSION

- I don't know how this will come out. I do know that we must find a rational way to protect our aviation system. And I know that whatever form the organization takes, we must maintain our close partnership with the industry. For only a strong and on-going collaboration between the private and public sectors can produce the steady stream of high-quality solutions that these challenging times demand.

o President Kennedy once told a European audience: "Time and the world do not stand still. Change is the law of life. And those who look only to the past are certain to miss the future."

0 We all have a role to play in future of American aviation. The public has come to expect the best and safest air transportation system in the world. With your help and continued support, we can see that they never have to settle for anything less.

Thank you.

Message Points Prepared for
David R. Hinson, Administrator
Federal Aviation Administration
Taped Interview with
Charles "Chip" Barclay, President, AAAE
For News Channel 8's "Aviation This Week"
August 15, 1995

FAA Reform Measures

FAA reform alternatives are currently being debated in Congress. I think **there is a broad, bipartisan consensus that it's time to change personnel, financing, and procurement rules** so that the FAA can better manage for results.

Without flexible financing, procurement, and personnel rules, the FAA will not be able to meet the challenges of the 21st century.

We all have a role to play in this debate over the future of American aviation. FAA, the Clinton Administration, Congress, the industry, and the traveling public.

We all share a common goal: to sustain and increase the safety of the national aviation system.

Impact of FY 1995 Appropriations

It's too early yet to predict what the Fiscal Year 1996 budget will look like. The Senate and House bills will not go into conference until sometime in September.

The current House and Senate proposals are very different. The **Senate version proposes a $150 million cut in FAA's budget over FY 1995, and the House proposes a $100 million cut**. Both have recommended differing cuts in differing areas.

At this point, we can only talk in generalities about the FY 1996 budget impact.

A minimal level of funding is necessary to keep the system running.

And, if we just get that minimum, there will be little R&D money for product research and development and there will only be money to sustain the infrastructure

The projected **FY 1996 budget might precluded us from undertaking things such as: new system development; new personnel hires; and system upgrades.**

FY **1996, however, is just the beginning of the cuts**. We need to take action now to prepare the agency for the next several years.

The projected 1996 budget will not give us enough resources to plan for the out years.

The **FAA already has taken deep cuts in its budget and workforce**, while continuing to provide a high level of safety during unprecedented growth in aviation.

During the past two years alone, the FAA has reduced its budget by more than $600 million while air traffic has increased by more than 6 percent.

The FAA also has **reduced the agency's workforce by approximately 5,000 and has canceled outdated programs that were expensive to maintain (MLS) and overhauled programs that were going to cost too much (AAS).**

Under current U.S. budget proposals for FY1997-FY2002, **the FAA will not be able to maintain the same high standard of aviation safety and efficiency that the American people now take for granted.**

The FAA has been extraordinarily successful at streamlining to absorb past budget cuts, but **there is no fat left to trim.**

Long-Term FAA Budget Projections and Challenges

Budget cuts currently proposed by Congress in the **Joint Budget Resolution for fiscal years 1996-2002 may require the FAA to operate with $14.2 billion less** than it will need to provide essential aviation services.

Such severe cuts could impact **the safety, efficiency and security** of U.S. aviation, and will cause us in the FAA to examine how we do business in the future.

Between fiscal years 1995 and 2002, the FAA will have to reduce **the number of air traffic controllers and flight service specialists.**

These cuts will occur during years when the demand for air traffic services will be growing rapidly.

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

Air traffic delays will increase because of the reduced controller work force and the growth in air traffic.

By 2002, **many small and mid-sized cities may have no FAA maintenance technicians** on site and large airports will have to reduce coverage by one-third.

As a result, unscheduled **equipment outages will increase.**

The **cost of air traffic and equipment-related delays will be borne by airlines and passengers and would amount to millions dollars per year.**

The FAA may have to **close all 92 flight service stations and 277 local airport towers,** leaving most of rural and small-town America without air traffic services or forcing local communities in all 50 states to assume the cost of those services.

The FAA may have to reduce **its security specialists by one-third,** making the agency far less able to defend the public against the serious threat of domestic and international terrorism. That threat is very real, as was shown by the recent Unabomber threat, attempted attacks in Asia, and the growing danger from foreign terrorists within the United States.

The FAA may have to severely **reduce its involvement in the certification** of new aircraft, engines or parts. New technology to increase safety and efficiency will be delayed. Industry will have to assume the cost of these activities, which likely will make U. S. products less competitive in the global marketplace.

Cuts in Airport Improvement Program (AIP) funding will **slow or eliminate construction of some new runways, noise mitigation measures, capacity enhancements** and many planning services that are essential to help airports effectively manage the unprecedented growth in aviation and other needs of the community.

FAA international offices may close. Eliminating the agency's international safety, certification, and security functions would undermine the FAA's ability to ensure the safety of U.S. passengers worldwide.

The FAA's progress in working with other nations to develop international standards for certification and air traffic services, and to develop a seamless international aviation system, will be stalled. **U.S. industry estimates that if 18 selected aviation operating rules were harmonized, U.S. companies would save $853 million annually.**

Introduction of satellite navigation via Global Positioning System (GPS) could be pushed back by at least five years. **Delay in implementation of satellite navigation, as required under the proposed congressional budget cuts, could cost air carriers as much as $5 billion per year.**

There may also be **delays in installing advanced weather detection equipment,** such as the Windshear Processor for Airport Surveillance Radars and the Weather and Radar Processor (WARP) for en route centers, will be delayed.

The FAA will have to **eliminate the general aviation safety program,** making it far more difficult for the nation's 284,000 private pilots to get critical information on aviation programs.

The **general aviation community will experience delays in getting certification and additional ratings processed** because both the number of FAA inspectors and field facilities will decrease.

Capacity needs at reliever airports will not be met, which will increase safety risks for general aviation and commercial pilots.

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

There will be **heavy job losses for industries and small businesses that depend on aviation**, such as hotels, tourism, fresh foods and flowers, medicine services and overnight delivery.

Talking Points Prepared For
David R. Hinson, Administrator
Federal Aviation Administration
Allentown, PA
August 22, 1995

- The FAA operates three facilities in Allentown: the Flight Standards District Office; an Airway Facilities Sector Field Office; and the Airport Air Traffic Control Tower.

- We are proud of the new tower/TRACON building being constructed at Lehigh Valley International Airport, and look forward to its commissioning late this year.

- Overall, the FAA employs approximately 50 people in Allentown, and has a payroll of almost $1.5 million.

- By far, the FAA is not Allentown's largest employer. That distinction probably goes to Bethlehem Steel Company.

- With an unemployment rate of around 8 percent, I am sure the major economic issues in Allentown, as they are across the country, are job retention and economic growth.

- These are tough economic times.
- Like most local Allentown businesses, the FAA too is facing potential budgetary problems and personnel cuts.
- The agency is already undergoing downsizing and budgetary cuts.
- Like every other Federal agency we will undergo additional cuts, perhaps serious cuts.
- There are also FAA reform alternatives currently being debated in Congress.
- I think there is a broad, bipartisan consensus that it's time to change personnel, financing, and procurement rules so that the FAA can better manage for results.
- Without flexible financing, procurement, and personnel rules, the FAA will not be able to meet the challenges of the 21st century.

- The cuts currently proposed by Congress in the Joint Budget Resolution for fiscal years 1996-2002 may require the FAA to operate with $14.2 billion less than it will need to provide essential aviation services.

- Such cuts could impact the safety, efficiency, and security of U.S. aviation, and will cause us in the FAA to examine how we do business in the future.

- The FAA already has taken deep cuts in its budget and workforce, while continuing to provide a high level of safety during unprecedented growth in aviation.

- During the past two years alone, the FAA has reduced its budget by more than $600 million while air traffic has increased by more than 6 percent.

- The FAA also has reduced the agency's workforce by approximately 5,000 and has canceled outdated programs that were expensive to maintain (MLS) and overhauled programs that were going to cost too much (AAS).

- We have been extraordinarily successful at streamlining to absorb past budget cuts, but there is no fat left to trim.

- Under current U.S. budget proposals for FY1997-FY2002, the FAA will not be able to maintain the same high standard of aviation safety and efficiency that the American people now take for granted.

- For example, if the current budget proposal is passed by Congress, between fiscal years 1995 and 2002, the FAA may have to reduce further its staff, curtail research and development, and may even have to begin closing some facilities.

- These cuts will occur during years when the demand for air traffic services will be growing rapidly.

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

- Such growth is already evident here in Allentown. Lehigh Valley International already averages about 200,000 operations per year. So far in fiscal year 1995, the tower count is up 16 percent over last year.

- If the FAA's budget is reduced drastically, I fear we will not have sufficient numbers of air traffic controllers, flight service specialists, and security personnel.

- Air traffic delays at airports such as Lehigh Valley International will increase because of the reduced controller work force and the growth in air traffic.

- By 2002, many small and mid-sized cities may have no FAA maintenance technicians on site and large airports will have to reduce coverage by one-third.

- The FAA may have to close all 92 flight service stations and 277 local airport towers, leaving most of rural and small-town America without air traffic services or forcing local communities in all 50 states to assume the cost of those services.

- Such closures could affect some of your local facilities, such as: the Williamsport AFSS and the Williamsport tower, which are approximately 90 miles from here.

- We may also have to reduce our number of security specialists by one-third, making the agency far less able to defend the public against the serious threat of domestic and international terrorism.

- That threat is very real, as was shown by the recent Unabomber threat, attempted attacks in Asia, and the growing danger from foreign terrorists within the United States.

- The FAA may also have to severely reduce its involvement in the certification of new aircraft, engines, or parts. New technology to increase safety and efficiency will be delayed.

- Industry will have to assume the cost of these activities, which likely will make U. S. products less competitive in the global marketplace.

- Cuts in Airport Improvement Program (AIP) funding will slow or eliminate construction of some new runways, noise mitigation measures, capacity enhancements and many planning services that are essential to help airports effectively manage the unprecedented growth in aviation and other needs of the community.

- Capacity needs at reliever airports will not be met, which will increase safety risks for general aviation and commercial pilots.

- AIP reductions could eliminate more than 90,000 state and local jobs in communities throughout the nation by the year 2002.

- AIP reductions will affect Lehigh Valley International, which is currently planning to expand.

- If the proposed budget becomes a reality, the next time the airport needs to expand or make improvements, there may be no funds available.

- The Airport Authority, for example, is seeking $171,000 in AIP discretionary funds to install airfield lighting control in the soon-to-be completed air traffic control tower.

- The current budget proposal may make it impossible for the FAA to fund such projects.

- The Airport Authority has also submitted a pre-application for $7.6 million AIP funds to acquire businesses and homes in the Runway 24 Runway Protection Zone.

- If the current budget proposal is passed, I am not sure if there will be sufficient AIP funds to undertake projects such as this one.

- There may also be delays in installing advanced weather detection equipment, such as the Windshear Processor for Airport Surveillance Radars and the Weather and Radar Processor (WARP) for en route centers, will be delayed.

- The FAA may also have to eliminate the general aviation safety program, making it far more difficult for the nation's 284,000 private pilots to get critical information on aviation programs.

- The general aviation community could experience delays in getting certification and additional ratings processed because both the number of FAA inspectors and field facilities may be reduced.

- Additionally, the introduction of satellite navigation via Global Positioning System (GPS) could be pushed back by at least five years. Delay in implementation of satellite navigation, as required under the proposed congressional budget cuts, could cost air carriers as much as $5 billion per year.

- If the FAA undergoes a drastic budget cut, there probably will be repercussions outside of this agency.

- There may be heavy job losses for industries and small businesses that depend on aviation, such as hotels, tourism, fresh foods and flowers, and overnight delivery.

- We all have a role to play in this debate over the future of American aviation. FAA, the Clinton Administration, Congress, the industry, and the traveling public.

- We all share a common goal: to sustain and increase the safety of the national aviation system.