TALKING POINTS
FOR
DAVID R. HINSON
FAA ADMINISTRATOR

SCREENER OF THE YEAR AWARD CEREMONY
WASHINGTON, DC
JUNE 5, 1995 2:00 PM

- The single most important issue in aviation today is safety, and the FAA is committed to an uncompromised standard of safety for the flying public.

- Aviation security professionals, such as airport security screeners, checkpoint security supervisors and screeners in charge, are a vital part of that commitment and active guardians of public safety.

- I am very pleased to have the honor of presenting the **first** national Screener of the Year Award.

- This award recognizes the dedicated efforts of those who work hard every day to prevent potentially dangerous or suspicious items or individuals from boarding an aircraft.

- As I read through the information about the security screening process, I was surprised by the average number of carry-on items seen in an average afternoon shift at Dulles International Airport -- as many as 10,000 bags and other items.

- Screeners have the tough task of examining or screening every item a passenger plans to carry onto the plane. As a part of the job, screeners can and do deny passengers with suspicious carry-on items entry to an aircraft

- Carry-on items are not only screened but also carefully analyzed to detect such things as weapons, bombs or other dangerous articles.

- More than 90 candidates were nominated nationwide for the Screener of the Year Award, which is jointly sponsored by FAA, Airline Transport Association and Regional Airline Association.

- Eight regional winners were selected.

- From the eight regional winners, Mr. Lawrence J. Renzoni was chosen as the national Screener of the Year.

- Mr. Renzoni, a checkpoint security supervisor since 1992, is assigned to the security team at Dulles International Airport.

- Mr. Renzoni's commitment to improving the carry-on item/passenger screening process has proved practical and even cost-effective.

- For example, he created a variety of "test" objects out of wire, clay and a power source to help screeners better recognize potentially suspicious or dangerous items or materials as they view the x-ray images.

- Mr. Renzoni helped to reconfigure the checkpoint to enhance operations.

- Mr. Renzoni detected 105 actual weapons at the checkpoint since June 1991. In one case, he detected a 9 mm handgun hidden inside an operable radio.

- Last winter, Mr. Renzoni voluntarily worked 16 hour shifts when many other screeners could not get into work because of inclement weather. His willingness to take on the duty when others could not allowed United Airlines to maintain a properly staffed and secure checkpoint.

- Thank you, Mr. Renzoni, and all your professional security associates for your dedication to helping protect the safety of the flying public. Let me also add my personal congratulations on your selection as the 1994 Screener of the Year Award.

STATEMENT OF THE HONORABLE DAVID R. HINSON, FEDERAL AVIATION
ADMINISTRATOR, BEFORE THE HOUSE COMMITTEE ON GOVERNMENT REFORM
AND OVERSIGHT, SUBCOMMITTEE ON GOVERNMENT MANAGEMENT,
INFORMATION AND TECHNOLOGY, CONCERNING REFORM OF FAA'S AIR
TRAFFIC CONTROL SYSTEM. JUNE 6, 1995.

Mr. Chairman and Members of the Subcommittee:

Throughout government, we are examining how we can best serve the American people. This
is especially true of services that affect our economy and safety. The American people want a
better, more efficient government, and understand that change is necessary to reach this goal.

The air traffic control (ATC) system, operating under the constraints of a traditional
government agency, is simply unable to keep pace with the industry that it very literally
controls. This is the only 24-hours-a-day, 365-days-a-year government operation that is
directly and actively involved in the minute-by-minute activities of an $80 billion industry.
Therefore, the inefficiencies that flow from the current government structure quickly become
this industry's problems.

It is estimated by the airlines that ATC system delays today cost them and their passengers in
excess of $3.6 billion a year. This comes at a time when this industry is struggling to regain
its financial footing. The $3.6 billion in delay costs are more than the industry has ever made
in profits in a single year. These types of losses can mean the difference between an industry
that can make ends meet and one that cannot.

THE NEED FOR CHANGE

In spite of differences of opinion over what should be done to address the problems of the
ATC system, there is considerable agreement on the need for change. The challenge and

responsibility that we all share is to ensure that the projected growth of aviation -- over 300 million more enplanements in this country within the next decade -- can be handled safely and efficiently. But, when we look at the state of today's system, and at growing passenger demand and especially at the budget outlook, we cannot assure the American people or the Congress that we will be able to provide the level of service that we have today unless we make fundamental changes to our system.

WHAT IS WRONG WITH TODAY'S ATC STRUCTURE

To be able to handle this country's air traffic safely and efficiently, we need a system that can:

1) take advantage of new technologies;

2) place and retain people where we need them;

3) be flexible enough to respond to change;

4) use borrowing to finance major capital programs; and

5) plan for the future, and be able to implement that strategy in a timely manner.

Unfortunately, as studies for the last decade have indicated, the FAA does not have those tools. First, we have a procurement system that makes it virtually impossible to keep pace with new technology. The evidence is found throughout the system.

- At Washington's National Airport, the computer that supplies critical information to controllers is a 1960's Univac.

- Virtually all of the 2300 radar displays in our en route centers are over 23 years old.

- We have more than 500 landing systems that are between 15 and 30 years old.

- We have close to 400 radars that are between 15 and 30 years old.

- Nearly all of the largest communications switches in our en route centers are over 29 years old.

- And, in an age when generations of computer technology are measured in months, we still must purchase vacuum tubes, a technology invented at the time of the Wright Brothers' first flight.

For many of these systems, the original manufacturer no longer exists. Spare parts are not available. In order to avoid shut-downs, FAA technicians must cannibalize other equipment, or go to machine shops to custom-build old technology.

Second, the personnel system is, in a word, inflexible. It is unable to match resources with real personnel needs. It makes it far too difficult to reward good work, to deal with poor performance, or to staff high-cost, busy facilities.

Third, the budget system is one that simply does not support long-term, business-like planning or timely acquisition. It is a system that requires the FAA to set aside the funds needed for a contract, even if the money will not actually be spent for several years. It is an environment in which the FAA gets its budget in over 160 specific line items, with limited ability to make changes. It is a budget process that forces the FAA to try to plan for the future without knowing how much money will actually be provided, or what strings will be attached. More importantly, as long as FAA funding is appropriated through the traditional government process, pressures to balance the budget will make it impossible to obtain the money necessary to modernize and operate the ATC system -- no matter how much users pay into the trust fund.

To understand this fully, we must recognize that the FAA's air traffic control services are directly related to the size and activities of the aviation industry. Accordingly, as demand on the system grows, so does the cost of operating the system. But as we look to the immediate

future, we see those two lines -- growth in demand and funding -- going in opposite directions. Over the next seven years, commercial airline operations are projected to grow by close to 20%. General aviation activities will grow by another 7%. But, under the budgets now being considered by the Congress, the FAA would be forced to meet this demand with budgets at least 20% smaller than today's.

That simply won't work. The result of this outlook is a system that won't be able to keep pace with demand. So, choices will have to be made: either to accept this and possibly compromise the safety and efficiency of the system, or to make major changes to the system, scaling back or eliminating many of the services provided today.

There is a third alternative, and it's the best of the three: take air traffic control out of this situation and put it on a sound business footing. The Administration's corporation proposal does this.

BRINGING ABOUT CHANGE

Over the years, both Congress and the FAA have tried to work within the existing structure to bring change. Just in the last decade, the FAA has reorganized itself over two dozen times to try to address these problems. But, clearly, those attempts have not "solved" the problems facing the ATC system.

In the last two years, this Administration has taken major and, frankly, unprecedented steps to address management problems at the FAA. In programs such as the Advanced Automation System (AAS) and Microwave Landing System we have made the tough decisions, cutting out elements that would have wasted hundreds of millions of taxpayer dollars. The top managers responsible for the AAS program have been replaced.

We will continue to work to improve management and bring about necessary change, and we have made significant progress. But internal management changes alone cannot address the fundamental structural problems facing the ATC system. That is why, as we have continued to do what we can administratively, we have also proposed to remove legislative barriers to efficiency.

ADMINISTRATION PROPOSAL

The Clinton Administration proposal specifically and clearly addresses the problems facing the air traffic control system. It would establish a wholly-owned, not-for-profit government corporation, freed from the federal budget, personnel, and procurement systems. It would be financed by users, and have the ability to finance capital programs the way any private sector company would. There would be no General Fund contribution to the ATC system, which today accounts for about $2 billion annually.

Importantly, it would leave the critical safety regulatory functions in the FAA, an agency that is fully accountable to the Congress, the Executive, and the American people.

SAFETY MODEL

Our proposal recognizes that ATC is fundamentally different from the regulatory functions of the FAA. It is modeled on the successful regulatory structure now in place for the literally thousands of corporate entities overseen by the FAA.

The safety record of U.S. aviation is the product of a partnership that recognizes the roles of government and the private sector. The reality is that government agencies just are not designed to run a business. And, in no other case do they try to.

Suggestions that a corporatized ATC system could compromise safety simply do not hold up, for several key reasons. First, entirely private corporations are entrusted with major aviation safety responsibilities every day. When you take a trip, you board an aircraft that was designed and built by a private corporation, and is maintained and flown by private sector employees. The FAA regulates the safety of these corporations and employees. That is the reality of how our system works.

Second, we do not have to speculate about safety in a corporatized ATC system. A number of other countries (including the UK, which changed its structure over 20 years ago) have corporatized their systems. Even more to the point, we have air traffic control towers in this country that have been contracted out to private operators, and are operating safely and efficiently. In fact, the aviation community has supported this effort. Aircraft Owners and Pilots Association President Phil Boyer testified in support of contract towers before the House Aviation Subcommittee in February, 1995. Last December, a cross-section of aviation groups, including the National Business Aircraft Association (NBAA), sent a letter to me calling for expanded use of privatized towers. That letter makes the case well, and let me quote it.

> As you know, the safety record of this program during the past decade has been
> exemplary, according to the FAA and the people who fly into these smaller
> airports. FAA requires the same level of training and safety oversight at
> contract towers as at FAA-operated facilities, and individuals at these facilities
> have worked an average of 18 years as controllers.

Letter from John Olcott for NBAA (Dec. 21, 1994)

Small airlines, airports, pilots, and general aviation have gone on record in support of -- and, in fact, calling for the expansion of -- air traffic control facilities that are run not by the FAA,

but by private sector contractors working under federal regulation. That goes beyond what we are proposing.

Third, some commenters, including the National Academy of Public Administration, have expressed a concern with "breaking up" ATC operations from the regulatory arm of the FAA, citing the history behind the formation of the FAA in 1958 as their rationale.

According to the Congressional Record, the 1958 FAA Act was prompted, in part, by a mid-air collision between two commercial airliners over the Grand Canyon in 1956. At the time, Congress found that establishment of an airway over the Grand Canyon was being delayed by a dispute between military and civilian aviation officials. In addition, at that time, the military and the Civil Aviation Administration were engaged in a dispute over navigation aid technology. Consequently, a primary objective behind the FAA Act was to "eliminate divided responsibility and conflicts of interest that exist ... *between civil and military agencies* in the field of electronic aids to air navigation." (emphasis added, cited in Congressional Record, August 4, 1958, page 16084).

Today, nearly 40 years later, that problem has been solved. Military and civilian aviation officials work closely with one another, and in fact, military aviation officials took an active role in developing the Administration's ATC corporatization proposal.

In testimony before the House Aviation Subcommittee, Dr. Clinton V. Oster of Indiana University, a noted aviation safety expert, said,

> It has not been necessary for the FAA to build, operate, or maintain aircraft for
> them to fly safely. Instead, very high levels of safety have been achieved
> through regulatory oversight. Similarly, it should not be necessary for the FAA

to build, operate, or maintain the air traffic control system for it to operate safely either. Here again, very high levels of safety should be achievable through regulatory oversight.

"Restructuring Air Traffic Control and Aviation Testimony" (Feb. 15, 1995)

Fourth, it is inappropriate to suggest that the very people who make this the safest system in the world would advocate a change that would compromise the safety record that they have built. The air traffic controllers suggested this concept three years ago, and they and the system technicians have consistently echoed the calls for fundamental reform.

We have compelling proof of what such fundamental change can bring -- right in this area -- at the Metropolitan Washington Airports Authority, which runs National and Dulles airports. Until 1987, those airports were part of the FAA. They suffered from decades of underinvestment. But, in the few years since Congress "spun-off" those airports in 1987 to the regional authority, the airports have embarked on a $2 billion capital improvement program which would have been utterly impossible under the previous status quo.

We now have an excellent opportunity to act to finally correct these problems. The Administration has put forward its proposal, and we think we have developed a solution that works. But we respect the fact that others may have different ideas about how best to address specific issues. It is time to put those ideas on the table, and get a productive dialogue under way, so that we can find a way to improve the ATC system for its ultimate users, the American people.

TALKING POINTS
UNITED AIRLINES 777 INAUGURAL SERVICE
DULLES INTERNATIONAL AIRPORT
JUNE 6, 1995

- I've spent my entire career in aviation. I've been flying airplanes since I was 19 years old. But I still get excited by new airplanes -- and I know firsthand that the Triple Seven is one impressive aircraft. It's sure to draw rave reviews from passengers on the first United Airlines flight tomorrow.

- The first United Triple Seven was named "Working Together," and that's an appropriate theme for the whole program. I think there was more interaction among the airframe and engine manufacturers, the airlines and the FAA than on any other U. S. commercial aircraft in history.

- United invested a great deal of money, time and hard work in making the Triple Seven fly. I understand you influenced many key areas of the aircraft's design, from innovative passenger comforts in the cabin to redesigned access and fueling panels for easier servicing.

- The FAA also invested substantial resources in what became the most comprehensive testing and certification process in aviation history. Our job was to ensure that the plane would be safe for United's passengers and the millions who will follow on other airlines.

- The continuing challenge for FAA, or any government agency, is to provide state-of-the-art testing and evaluation for state-of-the-art technology and design. I'm proud to say that the FAA met that challenge.

- For the Triple Seven, we had to develop a certification process that was both flexible and efficient. It had to guarantee comprehensive testing of the new airplane and full compliance with the agency's rigorous safety standards.

- The FAA was involved deeply and directly in every phase of the Triple Seven certification program. Like United, we also were involved *earlier* in the design phase than we ever have been on any other project.

- And that's the way it should be. Throughout the aviation community there is growing emphasis on the idea that safety is a shared responsibility. It demands the hands-on, eyes-open commitment of every person who designs, builds, operates, services or repairs aircraft.

- The FAA supports that idea. 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, but when we all do our jobs right, the result is an extraordinary airplane like the Triple Seven, certified airworthy and ready to make its debut in United service. I wish I could be here tomorrow to see it land.

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- National economies depend on international trade. International trade depends on fast, cost-effective transportation. In today's world, transportation means aviation.

- Public confidence is the foundation of growth and vitality in aviation. Our top priority must be to maintain -- and to raise -- public confidence in air transportation even as the demand for aviation services increases dramatically over the next decade.

- Cooperation is the key to our long-term success in this effort. All of us in civil aviation must work together to make air transportation safe, efficient and as economical as possible.

- The FAA and the United States play a major role in building public confidence by using our technical expertise for the good of international aviation. We see ourselves as true partners. We will lead, but not dominate. We will advocate, but not demand.

- Why is international cooperation so critical? World aviation faces a real crisis as rapid growth continues. There are three major challenges:
    --Expanding airport and air traffic control capacity.
    --Organizing civil aviation authorities to perform effective regulatory and oversight functions.
    --Assuring and improving safety as global aviation expands.

- The ultimate goal is a seamless international airspace system where aircraft can fly safely along the most efficient routes.

The Capacity Crisis
- By the early 21st century, worldwide air traffic is expected to be at nearly double today's levels. Hundreds of thousands more flights per year. Hundreds of millions more passengers.

- Unless we act quickly and decisively to raise capacity, we face a crisis that threatens to overwhelm our airports and air traffic control systems. And it's not just the United States that faces this challenge -- Europe is at risk as well.

- An expected steady rise in Europe's GDP -- an average increase of 2.7 percent annually until 2000 -- is expected to fuel the region's transportation growth. And we cannot overlook the potential economic impact of the nations of the former Soviet Union. Their GDPs are expected to rise an average 5.6 percent annually.

- The numbers tell the story of the coming capacity crunch. ICAO predicts that aircraft movements on North Atlantic routes may rise an average 4.6 percent per year between now and 2000. The passenger count could increase by 5.5 percent annually. As many as 62.8 million passengers per year could be flying North Atlantic airways by the turn of the century.

- The growth forecast is comparable for intra-European flights. A 1994 Boeing study estimates that annual European passenger miles flown will grow 68 percent by the year 2005. That's a lot of airplanes and people in skies that are already very crowded.

- Experience suggests that, if anything, the numbers are probably conservative. Over the last 15 years, we've reached predicted levels earlier than anticipated.

- Airport capacity faces a similar dilemma. Today, four European airports -- Heathrow, Frankfurt, Charles deGaulle and Orly -- rank among the world's busiest in passenger travel.

- Frankfurt airport officials recently suggested that more than 250 airports and airfields in the European Union transportation network require expansion and modernization. (Source: *Aviation Europe*, 6-1-95)

- I know there are new airports planned for Berlin, Athens and Oslo. And new terminal complexes at Luton and Heathrow are expected to increase capacity.

- But enhancing capacity means more than just pouring new concrete. We must have ultra-reliable air traffic control systems that can move an ever-increasing number of passengers and aircraft safely to their destinations.

- The United States and the FAA are providing other nations with technology, expertise and resources needed for effective air traffic control. In the United States, we're developing a revolutionary new ATC system that has three core elements:
  - --Satellite navigation
  - --Digital data link
  - --Advanced automation

SatNav
- Two years ago, civilian use of satellite navigation was in its infancy. Just look where we are today.

- Aircraft use GPS signals for precise navigation on transoceanic routes. Pilots know their position over thousands of miles of ocean to within 100 meters -- not much longer than a Boeing 747.

- Ninety-two percent of U.S. IFR airports -- more than 2,100 -- now have GPS approaches, mostly overlays to traditional navaid-based approaches. We're making rapid progress in proving that GPS works for precision approaches down to Cat III.

- Two years ago, GPS was still very much a system for American aircraft and American airspace. Now, satellite navigation is being accepted worldwide.

- In March, President Clinton reaffirmed the U.S. commitment to providing GPS signals to the world aviation community. ICAO responded by tentatively approving augmented satellite navigation as a future landing aid option.

- We are pursuing enhancements to GPS (*a la* WAAS) with several European countries. Our goal is to help other nations and regions develop and test their own augmentation systems.

Data Link
- Experiments with digital data link have been highly successful. Data link technology electronically transmits error-free flight and weather information from the ground to the cockpit. It extends the revolutionary capabilities of the "information superhighway" to the world of aviation.

- Data link, in conjunction with GPS, is already reducing operating restrictions in remote oceanic areas where reliable communications weren't available before.

- When data link is in widespread use, a typical airline could save as much as $200 million annually in fuel costs and time.

Advanced Automation
- A host of other advanced technologies will assist airport and traffic center controllers and keep traffic moving with minimal delays:
    -- Doppler weather radar and windshear sensors
    -- Airport movement area surveillance systems
    -- Automated scheduling tools

- These advances will be at the core of worldwide air navigation and air traffic not too many years from now.
    -- Reduced separation, more fuel-efficient routes, greatly reduced weather delays translate into huge savings for air carriers around the world.
    --There is a growing consensus that it will produce significant gains in safety for all airspace users.

The International Regulatory Challenge
- Successful transition to a seamless international airspace system demands that all civil aviation authorities regulate and oversee aviation operations effectively.

- FAA's International Aviation Assessment Program is designed to ensure that these organizations can enforce ICAO standards for their air carriers that operate, or plan to operate, directly to and from the United States.

- Since the last Paris Air Show, we have released the results of 30 assessments. Fourteen more are pending, and we plan to do 12 new assessments during this U.S. fiscal year and the next.

- The most important outcome of our assessments is that it helps carriers identify and correct deficiencies to let them meet their international safety obligations.

BASAs -- A New Tool
- In cooperation with the JAA, the FAA has developed the concept of Bilateral Aviation Safety Agreements. These aggreements will help maintain or improve the current levels of aviation safety for the mutual benefit of the United States and other nations. BASAs cover certification and maintenance, flight operations, simulator certification and environmental issues.

- U. S. negotiators recently concluded the very first BASA with the Netherlands. It provides reciprocal acceptance of certifications and findings in a broad range of aviation disciplines. We expect it to help regulators, industry and aviation users on both sides.

Free Flight
- The next major technological achievement will be a seamless worldwide Free Flight system. It will allow pilots, whenever it is practical, to choose their own route and file a flight plan that follows the most efficient and economical trajectories.

- This option is already available down to Flight Level 35 in the United States. If all goes according to plan, we will drop the altitude limitation to 29 this September.

- Free flight below that altitude depends on four technologies being operational: GPS, data link, advanced collision avoidance systems and higher levels of automation.

- This summer, we hope to have a draft of free flight architecture ready to discuss with U. S. industry.
    -- We need to work out hardware and software specifications with system users.
    -- Next, the process of buying and installation will start.
    -- Finally, we must work out human factors issues inherent in such a drastically different approach to air traffic.

- <u>Trilateral</u>. We've started working with Canada and Mexico to develop what would be essentially a free flight approach to the region's airspace management. We have already held two trilateral meetings to discuss how best to implement our plans.

- Free flight on a global scale will demand more than just new technology. We will need common -- or at least, compatible -- standards for all the critical parts of current national and regional airspace systems.

- This does not mean we need a "W-A-A" -- a World Aviation Administration. It simply means that we have common needs and common goals that are best achieved by working together.

- Our initial harmonization efforts have focused on aircraft certification. For example, the FAA is working closely with the JAA to harmonize standards.

- Under ICAO auspices, regional groups are being established to harmonize safety regulations. This type of regional standardization has three major benefits.
  --Encourages global airworthiness and oversight standards.
  --Reduces the burden of regulatory compliance and fosters reciprocal acceptance of approvals.
  --The bottom line is that it enhances international aviation safety.

- In today's global aviation system, the problems of one nation can easily become the problems of many. Individual countries cannot -- and should not -- work out their difficulties in a vacuum.

- Conversely, one nation's expertise and technological advances can -- and should -- be widely spread to benefit other countries, regions, and ultimately, the world aviation community. That's the philosophy we live by at FAA.

Introduction

- It's been a while since I've talked with you like this. I want to give you an update on several very important things that will impact the future of the FAA and aviation in general.

- Among several other things, I want to talk with you today about current budget proposals being considered by Congress.

- You're going to start hearing a lot of different theories about the potential consequences of those proposals, but I don't want you to have to rely on rumors or media speculation for information on what might happen to the FAA under the new budget plan. I want you to hear the straight story directly from me.

- To help me provide that, I've asked (INTRODUCE PANEL MEMBERS) to join me today.

One Level of Safety

- First, I want to talk about the bold new safety initiatives we've undertaken this year:

    --January meeting. Unprecented gathering of aviation community to chart a new course toward a safety goal of zero accidents.

    --February. Unveiled Safety Action Plan: 173 safety initiatives developed jointly by government, industry and labor.

    --March: Issued Commuter Rule.

    --Today: We have met all the 1995 dates spelled out in the safety plan, and we're on target for the others.

- FAA is working closely with aviation community. We believe safety is a "shared responsibility" between government and industry.

Security

- Increased security measures in place at HQ and FAA facilities after Oklahoma City bombing. This a logical response to a very real threat.

    --We are determined to protect FAA employees -- and the traveling public -- against terrorism.

Reinventing FAA

- We have led DOT in restructuring and streamlining FAA so that we can better manage for results. We have reduced our workforce by nearly 5,000 employees, almost entirely through buyouts and attrition.

- No impact on air safety. In fact, we have a net <u>increase</u> of 145 safety inspectors through may even as we've downsized for better efficiency.

The Budget and its Impact
- Congress is developing its plan to balance the federal budget by 2002. The plan calls for major spending cuts in virtually all government responsibilities.

- We are working very closely with Members of Congress to provide all the information they need to make informed decisions on how the FAA will be affected.

- This is not the "usual" anuual budget crisis. Unless changes are made, we can no longer continue to offer the level of service that the American public expects.

- The historical perspective: Charts on budget and employment.

- Here are some areas that could be affected at this level of funding:
    --We could be forced to eliminate thousands of jobs that help maintain the NAS infrastructure, plus thousands of jobs for controllers, inspectors and aviation security people.

--FAA could not participate as fully in accident investigations. Many inspection and certification services we now perform would be eliminated.

--By FY2002, a shortage of qualified controllers could cause nearly 100,000 flights a year to be delayed. The cost to the airlines could be more than <u>two billion dollars</u>.

--Slower installation of new technology. Delays in equipment improvements in towers, centers and TRACONs.

<u>USATS</u>

- Several FAA reform bills are in Congress. USATS is among them.

- To function effectively, FAA needs USATS or some other creative mechanism that provides more flexible financing, procurement and personnel practices.

TALKING POINTS FOR
DAVID R. HINSON
NAS Architecture Meeting
Washington, D.C.
June 27, 1995

INTRODUCTION

This month, the U.S. airline industry reached an important milestone. Sometime in mid-June, the number of passengers transported in our skies by carriers offering
scheduled air service passed the 10 billion mark.

Ten billion passengers in the 70 years since we started keeping records in 1926. It's a remarkable achievement. Especially when we consider that for the first half of this period, America ran on wheels: the wheels of the great railroads and the automobile.

Most of the growth in aviation happened just in the last three decades.

Perhaps even more remarkably, we expect domestic air travel to double in about 12 years -- perhaps less.
Based on our latest forecasts for scheduled passenger traffic, we can reasonably predict that, sometime in the year 2007, U.S. air carriers will transport their 20 billionth passenger.

There will be almost as many people traveling by air over the next dozen years as in all of the past seven decades.

We are witnessing the end of one historic era in civil aviation and the beginning of another.

TODAY'S TOPICS

I want to talk this afternoon about the influences that are defining this new era. There are five that I believe are
relevant to the discussions you are having here this week.
Any contemplation of NAS architecture must address these
factors.

1) The relentless growth of air travel and the need to
prepare for it.

2) The increasing demands for higher standards of safety in every segment of the industry.

3) The growing interdependence and integration of aviation on a worldwide scale.

4) The technological convergence of satellites, computers, and digital communications -- advances that let us make fundamental changes in how air traffic control services are provided.

5) The realities of the changing economic environment. The air carriers must achieve cost efficiencies to keep fares low and create stable financial returns. And the FAA must reduce its costs to cope with shrinking budgets and the rising demand for our services.

GROWTH

I have a longstanding concern that without more capacity -- at our airports and in the air -- we simply won't be able to support the growth that we see ahead.

The FAA's latest forecasts for U.S. commercial air carriers predict:

--overall growth of 4.2 percent for U.S. commercial carriers over the next 12 years.

--800 million enplanements a year in less than a decade.

--More than 1 billion enplanements a year by 2010.

Worldwide, we expect the number of air travelers to rise from 1 billion per year now to 2 billion during the same period.

Projected growth of this magnitude means more stress on heavily congested airports and air traffic control systems here and around the world. As many as 40 percent more new direct flights may be needed.

Fifty of our country's busiest airports handle more than 80 percent of all U.S. air traffic. Most are heavily congested. About half already experience more than 20 thousand hours of delays each year.

Eleven U. S. airports are among the top 15 busiest in the world. (The other four are Heathrow, Frankfurt, Charles de Gaulle, and Orly.)

Aircraft manufacturers predict that between 8 thousand and 10 thousand new airliners will be needed worldwide to meet future growth -- doubling the size of the existing fleet.

If just 30 percent are purchased by U.S. carriers, that means finding space for another 3,000 or so planes at our airports and in our airspace.

Pouring more concrete is only part of the solution.
Worldwide air traffic control facilities must be able to move an ever increasing number of passengers and aircraft.

The design of the NAS system architecture must give us an ATC system geared to handling this upsurge in traffic.

MAINTAINING PUBLIC CONFIDENCE IN AIR TRAVEL

The next consideration -- and the common thread in everything we do -- is safety.

Let me repeat something I said earlier. 10 billion passengers have flown in our skies over the last 70 years.

In all that time, there have been 12,600 commercial passenger fatalities. This is approximately the number of people who lose their lives every four months on U.S. highways.

The long-term trend in air travel reflects a safety record of substantial and continuous improvements.

The fact is that we have an extremely low accident rate. Prior to the accidents last year, the major carriers had flown 27 months and carried over a billion passengers without a single passenger fatality.

How we achieved this record is an interesting story of technological progress ... in airframes and engines ... on-board automation ... training simulators ... and in the science of air traffic control.

It also is the product of a highly successful partnership between government and industry.

But the projected growth of the aviation industry will compel us to achieve an even higher level of safety than we have today. To do this, we have to greatly intensify our efforts.

In NAS architecture, and at every level of the industry, our future course must be guided by a philosophy of 100 percent safety. "Zero Accidents".

The public has come to expect -- and to demand -- nothing less.

GLOBALIZATION

A third factor is the accelerating pace of globalization.

Not so long ago, only a few U.S. airlines operated on international routes. You knew who they were by their

names: Pan-Am and Trans World Airlines. Most of our larger carriers, with the exception of Northwest, were primarily or exclusively domestic.

Today, virtually every major U.S. carrier has a piece of the international market, with enplanements approaching 50 million a year. That's a full 30 percent more than just 5 years ago.

Airline alliances and mergers are springing up all over the world. Marketing strategies like "code-sharing" are now as commonplace as frequent flyer programs.

The aviation agreement between the U.S. and Canada earlier this year freed up the largest two-country market in the world. We have concluded agreements with seven members of the EU, including Britain, and three non-member countries on opening access to each other's airports.

Globalization compels a fundamental shift in perspective. No nation can think strictly of its own narrow requirements. We must think in terms of worldwide coordination. And wherever possible, worldwide standardization.

ADVANCES IN AIR TRAFFIC CONTROL TECHNOLOGY

Technology is the fourth factor that will define aviation in the new century. Three technologies in particular offer significant cost savings and the prospect of a globally integrated, seamless system.

--GPS, as a first step toward a worldwide, primary stand-alone navigation system for the 21st Century;

--Data link for error-free, computer-to-computer communications;

--Advanced automation to manage the constant flow of information and help controllers and pilots make better decisions more rapidly.

These are the core technologies behind the ICAO Future Air Navigation System (FANS) concept, which the U.S. played a major role in shaping.

GPS is already an indispensable part of our NAS architecture and is gaining wider acceptance by civil aviation throughout the world.

In March, President Clinton reaffirmed the U.S. commitment to provide GPS signals to the world aviation community, free of charge. ICAO responded by tentatively approving the use of augmented satellite navigation as a future landing option.

We are awarding a contract to develop the Wide Area Augmentation System for the U.S. and we are helping several European aviation authorities develop and test similar enhancements for use in their countries.

Data link is in use at many of our terminals. We began shadow testing data link over the Pacific last week with Qantas Airlines. Sometime this fall, oceanic data link will be in operation on United flights over the South Pacific.

Automation. We are proceeding, with confidence, to deploy the restructured advanced automation system. We have a joint program with the Department of Defense, for example, to replace aging ATC displays and processors at about 150 TRACON's with mostly off-the-shelf equipment early in the next decade.

As use of these technologies becomes more widespread, in-trail separation can be reduced, creating more capacity and cutting down on journey time. Pilots will be able to fly optimized routes that will save millions of dollars annually.

The ultimate goal is "free flight" -- where pilots chose their own route and file their preferred plan with the FAA. In the continental U.S., this option is already available, down to Flight Level 35.0.

Savings from this program go straight to the bottom line. Airlines participating in the limited program last year saved an estimated 40 million dollars. We foresee much greater savings as "free flight" is expanded.

If all goes according to schedule, we will drop the altitude limitations to 29.0 in September.

Free flight below this level depends on having all three "core" technologies in place, plus advanced collision
avoidance systems.

THE CHANGING ECONOMIC ENVIRONMENT

The pace at which we are able to adopt new technology is directly related to my last topic: the changing economic environment and what it portends for aviation.

The strengthened economy is fueling a real recovery in America's airline industry. Most of the major carriers showed a modest profit last year and expect to do even better this year. But $12 billion dollars in losses left most carriers heavily in debt and with very little cushion.

The proliferation ... and the success ... of low cost, low fare carriers has placed additional pressure on the major carriers to lower their average per-mile seat costs to that of their competitors. Bargain flying is a permanent a part of people's expectations.

So far, productivity increases and cost cutting have mainly centered on work rule changes and wage concession in the labor forces.

The airlines' next real target of opportunity is the air traffic control system.

It has been estimated that ATC delays cost airlines and their customers $3 billion a year.

The National Airline Commission summed it up correctly: The airlines are the only commercial industry whose minute-by-minute operating efficiency is "capped" by the operating efficiency of the federal government.

The FAA's ability to make that system more efficient is becoming increasingly constrained.

For the past two years, the FAA's budget has declined by more than six percent or well over half a billion dollars. Yet during that same time, passenger enplanements in the United States have grown 15 percent!

It is testimony to the professionalism and dedication of the FAA work force that we were able to handle this growing volume of traffic with nearly five thousand fewer people.

We have canceled outmoded programs like MLS. And we've overhauled those, such as AAS, which were costing too much and taking too long to finish.

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

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

We don't yet know the specifics of how the budget will impact FAA. But we could be forced to terminate literally thousands of employees who help maintain the NAS infrastructure, including more than half of the technicians and engineers involved in systems maintenance. We also would have to cut thousands of controllers, inspectors and aviation security jobs.

Without adequate staffing, the FAA could not participate as fully in accident investigations. Many of the inspection and certification services we now perform would have to be eliminated.

By FY99, we may have to close more than a hundred Level I towers and start closing Level II towers as well. By FY2002, the shortage of qualified controllers could cause severe

economic hardships for the airlines. Nearly 100,000 flight a year would be delayed. The cost to the airlines could be more than two billion dollars.

Our most important projects would take a hit. We would be forced to slow the installation of new weather and windshear detection systems, and delay equipment improvements in towers, centers and TRACONs.

Even the most dedicated budget-cutters should be able to foresee the consequences: crowded airspace, congested airports, more delays, decline in an industry which is still recovering financially, and the inevitable loss of jobs.

THE USATS PROPOSAL

The Clinton Administration has a solution. Take the air traffic control function out of the FAA and place it in a government corporation.

This proposal was not a hasty one. It was the result of a thorough analysis of the need for greater flexibility in
personnel and procurement policies.

And, as we are just now beginning to appreciate, the corporation could also shield air traffic services from the chainsaw of budget politics.

The corporation is designed to prevent any long-term erosion in the quality of our nation's air traffic services.

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

One thing is certain: Unless USATS or some other creative funding mechanism is established, the FAA will have no choice but to make drastic cuts in the services the American traveling public has come to expect -- and demand.

CONCLUSION

The new FAA organization, whatever its form, will have to build a close partnership with the industry.

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.

We know that we're pushing the state of the art as we

develop the air traffic system of the next generation. We're
going to have to "jump the curve" of the normal pace of
technological refinement.

We look to the NAS architecture to help us achieve the technological breakthroughs we
need to:

-- leverage maximum capacity from our airports and airways;

-- eradicate the remaining hazards to air travel;

-- build a globally integrated, seamless system;

-- bring down the costs for all users of the system.

Because of the growth of air travel, it sometimes seems as though the world spins a lot
faster than it once did. But it still spins in the same direction ... forward. And that's the direction
we must go to lead aviation into the 21st century.

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REMARKS FOR DAVID HINSON
TECHNICAL WOMEN'S ORGANIZATION ANNUAL MEETING
WASHINGTON, D.C.
JUNE 27, 1995

This annual meeting is always a great pleasure for me. Getting together with FAA employees is a lot like attending a family reunion. And one of the things you do at a family reunion is get out the album, look at the old snapshots and reminisce a bit.

One of the first changes we notice when we look at our album is that there are more women and minorities in the pictures. The FAA is beginning to look a lot more like America.

Your theme this year ... "Moving into a Century of Diversity" ... reminds me of something Lee Iacocca once said.* "Diversity isn't something we have to put up with, it's something we have to be proud of". (Michigan State Univ., June 9, 1990)

This is the message that the Deputy Administrator and I try to communicate through our words ... and more importantly ... through our actions.

Six months go, I selected Fanny Rivera to be the agency's diversity advocate.

Fanny has looked at all the diversity plans created by our various offices and is putting a working team together to develop an agency-level diversity plan. The most important milestones will be incorporated into the FAA Strategic Plan, and managers will be held accountable for carrying them out.

The working group will be made up of high-level senior managers from the operating organizations, representatives of employee groups -- like T-W-O -- and the unions that wish to participate.

If all goes well, and I am confident that Fanny will see that it does, the plan should be ready by October 1.

The growing number of women in technical professions, and in positions of influence, tells me that we are moving in the right direction.

The challenge is to maintain our momentum in the difficult and uncertain times ahead for all federal agencies.

Downsizing and budget cutting are facts of government life.

The FAA budget has actually declined for the first time in our history. It is down by more than 6 percent -- $600 million -- over the past two years. During this period, we have reduced FAA employment by nearly 5,000.

At one o'clock this afternoon, I am holding a town meeting on the FAA satellite network to let our employees know, as best I can, how the budget proposal you have seen in the paper or heard about on TV will affect the FAA.

Since you will be busy with your conference, I thought we might hold a special town meeting with you, right here. Most of you know the format: I provide some background, then you get to ask questions.

I must tell you though, this is not just the "usual" budget crisis we go through every year about this time. We don't yet know the specifics of the impact the balanced budget plan will have. But unless a creative funding mechanism is found, the FAA will still be significantly short of the money we need to support the level of service we provide today.

Here are some examples of what could happen by Fiscal Year 2002 under the new budget plan.

-- There would be fewer controllers. We could fall from   today's level of 17,340 to about 13,000.

-- We may have to cut nearly 6,000 employees involved in   maintaining the NAS infrastructure, including 3,600 of the   systems maintenance workforce.

-- The FAA would have to terminate more than a thousand   employees who regulate and certify aircraft, aircraft parts,   and pilots, and civil aviation security employees.

The effect of such reductions would be immediate and severe.

In FY97, we would have to start closing all Flight Service Stations and more than 100 Level I Towers. By FY99, Level II towers would be affected. By FY2002, flight delays caused by the shortage of qualified controllers could cost airlines more than $2 billion.

Controllers would be forced to use aging equipment indefinitely. Replacement of ATCBI radars and low-cost surface tracking radar to protect against runway incursions would be deferred. Wake vortex detection systems would not be developed.

Finally, we could not continue to oversee the efforts of other governments to meet international aviation safety standards. Nor could we provide many of the inspection and certification services that we now perform.

These are all things that could happen -- not necessarily what will happen. The details of the budget must still be resolved.

As you know, the President has offered a method to assure a source of continued funding: the U.S. Air Traffic Services Corporation.

USATS would give us flexibility in hiring and procurement. And it protects the gains we have made in creating a genuinely diverse workforce of the highest quality.

Other ideas have been offered. But the broad bipartisan effort to balance the federal budget makes it very likely that the FAA will undergo a fundamental change in the coming months.

We are working with the Congress to determine what that change will be. We all agree that it is essential that we find a rational way to protect the future of our aviation system. Whatever change we make must provide a reliable revenue stream for the FAA.

Now I'd like to hear from you. Who has the first question?

Issue Points Prepared for
David R. Hinson, Administrator
Federal Aviation Administration
Helicopter Association International
Board of Directors
Alexandria, VA
June 27, 1995

RULEMAKING EFFORTS

- The HAI has been particularly supportive of the Rotorcraft Directorate. We value your comments and advice on rulemaking activities.

- Specifically your support of the ARAC process to harmonize FARs/JARs by:
    --providing an HAI member to chair the Rotorcraft Issues Group (Mr. Ted Dumont)
    -- providing meeting space at the Heli-Expo '95 for ARAC rotorcraft harmonization working groups.

- FAA and Joint Airworthiness Authorities (JAA) rotorcraft certification rules and guidance are now almost identical. That translates into reduced barriers for U.S. manufacturers to gain approval in JAA countries and reduced barriers for European manufacturers to gain FAA approval.

- The FAA Rotorcraft Directorate reached harmonization in principle of 14 CFR parts 27 and 29 in 1994.

- Two final rules published in 1994:
    --"Crash Resistant Fuel Systems in Normal and Transport Category Rotorcraft"
    --"New Rotorcraft 30-Second/2-Minute One-Engine-Inoperative Power Ratings"

- Two Notices of Proposed Rulemaking published in 1994:
    --"Occupant Protection in Normal and Transport Category Rotorcraft"
    --"Rotorcraft Regulatory Changes Based on European Joint Airworthiness Requirements"

- 1994 Supplemental Notice of Proposed Rulemaking: "Transport Category Rotorcraft Performance."

- In addition, there are three final rules awaiting publication, "Rotorcraft Engine Rotor Burst Protection," Transport Category Rotorcraft Performance," Occupant Protection

in Normal & Transport Category Rotorcraft," "Rotorcraft Regulatory Changes Based on European Joint Airworthiness Requirements," and a Notice of Proposed Rulemaking, "External Load Combination Safety Requirements."

- Revisions to Advisory Circulars 27-1 and 29-2 will be ready for publication by August 15, 1995. These documents represent all policy and guidance material available for certification of Normal and Transport category rotorcraft.

- The industry, public, and FAA teaming established and continues to improve these documents. It sets an example of how government and industry should work together.

- The Rotorcraft Directorate's philosophy is to take the secrecy away from the certification of rotorcraft.

- The Rotorcraft Directorate started four new harmonization efforts in 1994. The Working Groups have been formed and are in the concept approval stage of the ARAC process.

DoD SURPLUS AIRCRAFT

- The FAA realizes you are very interested in the surplus helicopter issue.

- There is concern that the DoD will be releasing numerous surplus UH-1 helicopters.

- Some of the issues involve completeness of aircraft records, airworthy parts support for the aircraft and continued operational safety support for the aircraft.

- An associated concern involves taking the released surplus aircraft, parting out the airframes and selling flight critical components/parts.

- The Rotorcraft Directorate has been monitoring the issue very carefully and has participated on the Flight Safety Critical aircraft Parts (FSCAP) action team. This is an interagency team tasked with helping DoD establish a process to identify and document flight critical components. It also creates a process that would subject aircraft to a safety inspection as a condition of transfer, ownership or sale.

- The final report and recommendations were issued May 8, 1995 (available from AIR-220).

- The Pressler law has redefined the meaning of public aircraft. The law makes a distinction between government aircraft operations as public aircraft operations, and government aircraft operations as civil aircraft operations.

- The Rotorcraft Directorate, along with other FAA offices, has also participated with the Interagency Committee for Aviation Policy (ICAP). This is a multi-agency task force assembled to help Federal, State and local government organizations understand how to comply with the Pressler law. Briefings were provided at various locations across the country so government agencies better understand the pertinent aspects of the new law.

ROBINSON HELICOPTERS

- Since certification of the Robinson Helicopter Company (RHC) R22 in 1979, there have been 29 fatal accidents involving in-flight contact between the main rotor and airframe in that helicopter.

- There also have been 3 such accidents in the RHC R44 helicopter.

- A series of fatal accidents involving Robinson helicopters in the first half of 1994 prompted the FAA to initiate an action plan. We wanted to find the cause of rotor/airframe contact accidents and develop remedies.

- The action plan included formation of a technical panel of specialists from the rotorcraft industry, academia, the DoD and the FAA, as well as adjunct participation by members of the NTSB.

- The FAA's technical panel commissioned a simulation program that is currently underway and scheduled for completion in September 1995.

- This research has been augmented by wind tunnel data and two human factors evaluations of the RHC flight control system design. The research will include evaluations of rotor stability, stall characteristics, and the mast bumping envelope.

- In the interim, the FAA has taken a series of measured steps to preclude further occurrences of in-flight rotor/airframe contact.

7/22/94 -- Special Airworthiness Alert: issued to owners of R22/R44 helicopters advising of recent fatal accidents and recommending procedures to reduce the probability of fatal accidents.

1/10/95 -- Special Airworthiness Information: issued to FAA certified helicopter pilots, recommending procedures for avoiding the conditions known to accompany rotor/airframe contact accidents.

1/12/95 -- Airworthiness Directives (ADs): prohibits flight of the R22/R44 in the wind and turbulence conditions similar to those existing at the time of the two most recent rotor/airframe contact accidents.

2/15/95 -- Flight Standardization Board (FSB) Reports: reports of findings by R22 and R44 FSBs. The reports define training, checking and currency requirements for pilots of RHC helicopters.

2/27/95 -- Special Federal Aviation Regulation (SFAR) No. 73: mandates training, pilot experience, currency, and checking requirements for operation of the R22 and R44.

5/25/95 -- Airworthiness Directives: prohibits low-G pushovers in-flight, which could lead to mast bumping and rotor/airframe contact.

6/8/95 -- Technical Panel Report: an interim report of findings and recommendations following the technical panel's first six months of research. The report recommends type design changes and operating limitations designed to directly affect the known causal factors in rotor/airframe contact accidents.

- The FAA is currently drafting an AD that will implement the first of the technical panel's recommendations, mandating installation of a rotor speed governor.

- The governor is designed to eliminate rotor stall, one of the contributors to rotor/airframe contact accidents. It is expected that the AD will become effective in January 1996.

ATLANTA SHORT HAUL SYSTEM

- The FAA is working hard to help introduce and expand technology into the national airspace system for general aviation fixed and rotary wing aircraft.

- In February 1995, FAA endorsed a project to develop a low altitude navigation and surveillance plan for Atlanta.

- The plan envisions a network of heliports and outlying general aviation airports servicing an area extending out to 150 miles from Atlanta using a low altitude surveillance system.

- Implementation in time for the 1996 Summer Olympics would provide numerous benefits: safer low altitude helicopter flight operations, improved air traffic management, enhanced emergency response, and new short haul cargo and passenger services not currently available.

- This will provide enhanced intermodal transportation services, utilizing emerging technology to benefit regional economic and quality of life goals.

- This is an exciting and innovative project. Using low altitude surveillance and communications systems, general aviation will be able to move time-sensitive cargo and shipments by air in an urban environment.

- The greatest challenge to this joint public/private sector enterprise is maintaining system safety, especially in the urban environment. It is a challenge we can and will meet, using new technologies.

- The FAA will try to involve the local communities in all aspects of the project. We want to be a good neighbor.

AC 1.1: Government Owned Aircraft

- On October 25,1994, President Clinton signed the Independent Safety Board Act Amendments of 1994 (P.L. 103-411). They contain a new definition of "Public Aircraft".

- The new definition became effective April 23, 1995. The general purpose of the new law, as reflected in the legislative history, is to extend FAA regulatory oversight to some government aircraft operations.

- In part, Congress determined that government-owned aircraft that operate for commercial purposes or transport passengers should be subject to the regulations applicable to civil aircraft.

- The new law (with certain exceptions) preserved as public aircraft operations those relating to the performance of certain governmental functions. It further allows public agencies to get reimbursement from other public agencies for some operations conducted in response to significant and imminent threats.

- The FAA is authorized to grant exemptions from certain statutory requirements for operations whose status had changed as a result of the new law.

- Beginning with the November 3, 1994, "All Operators" letter containing the new public aircraft definition, this agency has taken unprecedented steps to implement this new law.

- The following is a list of outreach programs that FAA established or assisted the Interagency Committee for Aviation Policy to make the public and our workforce aware of the new law:

--Mailed brochures containing new public aircraft definition and notice of Pulic Aircraft Symposium to all known public aircraft operators.

--January 24. Held Government Aircraft Operations Symposium.

--January 25. Added new public aircraft definition to FAR Part 1.

--January 26. Published draft AC 00-1.1, Government Aircraft Operations, in Federal Register for public comment.

--January27. Established Public Aircraft Hotline to respond to questions about the new law.

--February thru April. Assisted ICAP in conducting public aircraft workshops requested both by both the public and private sectors of the aviation community.

April 24. Published final AC 00-1.1, Government Aircraft Operations, in the Federal Register.

April 24. In a national telecon to all Flight Standards office managers, Tony Broderick directed that a face to face site meeting he held with all known public aircraft operators to discuss with them whether or not the new definition of public aircraft will change their status to civil aircraft operations. He also stated that the FAA's philosophy is to work in partnership with those units of government subject to the new law to effect compliance with the law.

May 3. In a national telecon with all FAA Flight Standards Regional Public Aircraft Coordinators and Regional Counsels, procedures were established for processing public aircraft legal interpretations and consulting with FAA Headquarters regarding enforcement actions against government entities determined to be in noncompliance with civil aircraft operations requirements as a result of the change in the definition of public aircraft.

June 20. Issued final Joint Flight Standards Handbook
Bulletins to FAA inspectors entitled, Government
Aircraft Operations; Public Aircraft Operations Versus
Civil Aircraft Operations.

SFAR 71 (Hawaiian Air Tours)

- On October 26, 1994, the FAA issued SFAR No. 71. It established special operating procedures, including minimum safe altitudes (with associated increases in VFR weather minimums), equipment requirements, and limitations for airplane and helicopter air tour operators in Hawaii.

- The regulation is designed to enhance the safety of air tours, in light of accidents involving low flight, encounters with adverse weather, and emergency landings in rugged terrain or water.

- SFAR No. 71 was issued on an emergency basis because air tour accidents escalated: seven accidents in the first nine months of 1994 (four fatalities), five fatal accidents 24 fatalities) over the last three years.

- There have been no air tour accidents in Hawaii since SFAR No. 71 became effective.

- Even though it was an emergency rule, the FAA sought comments. We are now considering all of the comments submitted in response to the SFAR, including those from the NTSB.

- Because there is an ongoing rule making, the Administrative Procedure Act prevents me from discussing any possible changes to the SFAR.

- The Hawaii Helicopter Operators Association (HHOA) petitioned for judicial review of SFAR No. 71 in the United States Court of Appeals for the Ninth Circuit.

- On March 29, 1995, the Ninth Circuit denied HHOA's petition. The Court found the FAA had "good cause" for promulgating the rule without first seeking public comment based upon the threat to public safety reflected in an increasing number of air tour accidents.

- HHOA had also argued that SFAR No. 71 is arbitrary and capricious, primarily objecting to the rule's 1,500 foot minimum altitude. In rejecting this argument, the Court found that the regulation bore a rational relationship to legitimate FAA safety concerns.

- The Court focused on the rule's preamble language, which said that Hawaii's unique topography often complicates access to suitable emergency landing areas. The air tour accidents in Hawaii have been characterized by insufficient time for pilots to locate suitable landing areas after engine power loss or other problems leading to accidents.

- The 1,500 foot minimum altitude allows the pilot sufficient time to react in an emergency, to notify and instruct passengers, and to prepare for a forced landing. It also gives pilots a greater opportunity to select a suitable landing site than would be the case at lower altitudes.

- The litigation continues. Recently, the Court extended the time for HHOA to file a petition for rehearing in this case.

- Section 6 of the SFAR allows an air tour operator to deviate from the 1,500 foot minimum altitude provided it has obtained authorization from the Administrator. SFAR No. 71 allows operations to be conducted below 1,500 feet, provided the operator can demonstrate an equivalent level of safety to that provided by the rule.

- All deviation requests are closely scrutinized by the FAA. Authorization to deviate from the minimum altitude has been granted only where clearly justified by safety considerations, and on a case-by-case basis.

Talking points
Lear 60 MSR Aircraft Acceptance
Greenville, TX
June 28, 1995

- I've spent my entire career in aviation and I've been flying airplanes for more than 40 years. But I still get excited when a new aircraft goes into service, especially when it's one of our own.

- There are really two stories to note today. One involves the plane and what it means for our inspection capabilities. The other involves the way we're buying it and what it means for the way we do business.

- This is the first of six Lears and three Challengers that we'll be putting into service over the next few years. We need them.

- Some of our flight inspection aircraft are getting pretty tired. They're expensive to operate and frequent maintenance cuts down on their availability. It's also a challenge to supply them with spare parts.

- In contrast, we expect the new planes will be much more cost-efficient. They will give us more flexibility in doing navigation and landing system inspections. We will be better able to meet the upcoming demands of GPS and other programs.

- The innovative contract arrangements we developed for this program also deserve mention. For example, E-Systems here in Greenville acted as the integrator for the aircraft and our electronic inspection systems.

- This is a role that traditionally consumed FAA time and resources after an inspection aircraft was delivered. Instead, we now accept the aircraft fully equipped and ready to perform its mission.

- The other novel feature of the contract is its handling of spare parts. Instead of the FAA spending money for spares up front and stockpiling them, we'll get parts from the manufacturer as we need them.

- This is the first time we've taken this approach, which is being adopted by major airlines and the Air Force. We think it can serve as a model for future acquisitions of this type.

- I want to acknowledge the stellar role that the Aviation System Standards people in Oklahoma City did in developing this purchase. A special nod goes to Bill Williams, program director, for his outstanding leadership.

- I also want to thank Oklahoma City's Fleet Modernization Staff, the Flight Inspection Maintenance Division and the Engineering Branch for their hard work and effort.

- At Headquarters, Jim VanNamee in Aircraft Fleet Modernization and Mark Brady of the Avionics IPT deserve special mention.

- Lastly, I want to praise E-Systems for bringing this program in on time and within budget. It's an example of the way the system is supposed to work. They've done a great job.

- Together Headquarters, the Aeronautical Center, E-Systems and Lear form a winning team. They've given the FAA a tool that will help maintain the highest levels of safety for the National Airspace System and maximize system capacity.

- And from an old pilot's standpoint, this Lear 60 is a really sleek, high-performance aircraft. I can't wait to get into the cockpit and strap in.

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