

**TALKING POINTS
FAA DEPUTY ADMINISTRATOR
LINDA HALL DASCHLE
CHICAGO TRACON DEDICATION
ELGIN, IL
OCTOBER 10, 1996**

- It is an honor to represent the FAA at the dedication of what has already become a showcase facility.
- The Chicago TRACON works some of the most densely traveled airspace in the country. Last year, controllers at the Chicago TRACON recorded more than 1.3 million instrument operations, third busiest in the nation.

- The beauty of the new TRACON is that it is a facility for today and tomorrow -- providing the greater capacity we need today, as well as the flexibility we will need tomorrow to incorporate technology advances.
- From a historical standpoint, it's worth nothing that the concept of flow control -- that is, matching traffic demand to system capacity -- was developed originally to deal with the system-wide impact of the Chicago area's famous snow storms.
- After all, Chicago isn't just another airline hub. It is "the" airline hub. Everything that happens here - - good and bad -- is magnified many, many times throughout the system.

- The TRACON facility brings us up to date with off-the-shelf, leading-edge technology that will go a long way toward reducing delays and benefiting the region's economy.
- I can't overemphasize how important new automated systems are to the National Airspace System architecture.
- The rate at which technology evolves guarantees that we will have to start upgrading even this facility within just a few years. Investing in new technologies is absolutely essential in our business.

- Harnessing new technologies also requires that we have the flexibility to quickly acquire new systems. That is why the changes to our acquisition system we announced this past April are so critical to our long-term success.
- And we must continue to be successful. FAA's latest forecasts for U.S. commercial air carriers predict overall growth of nearly four percent over the next 12 years. Nearly one billion a year by 2010.
- Moving all those people and aircraft through the skies safely demands the very latest in technology -
- and above all the professionalism of the FAA employees and support personnel gathered here today.

- I am very proud of what we have achieved.

I congratulate the hard working, dedicated men and women of the FAA, and our labor partners. This facility demonstrates that, working together, we can provide an even greater margin of safety in what already is the world's safest air traffic control system.

Thank you.

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- It's a real pleasure to be here today with so many FAA employees -- the men and women who control the airspace and maintain the equipment in the busiest air travel corridor in the country.
- It's especially great to be here for the dedication of this magnificent facility. This imposing new tower, rising 260 feet above us, represents another major FAA milestone in improving the nation's air traffic control system through new technology and better facilities.

- One of my top priorities since coming to the FAA has been the continued modernization of the air traffic control system.
- And I'm happy to report Chicago's controllers will now have at their command more advanced technology for constantly monitoring airport and airspace conditions.
- This is vital because everything that happens here -- good and bad -- is magnified many, many times throughout the system. So it is important Chicago be in the vanguard of our modernization efforts
- We have come a long way from the days when a flagman stood by the runway to guide the pilots in because airplanes were not yet equipped with radios.

- The tower gives us a clear view of aviation's 21st century -- a future with the most up-to-date radar equipment, communications systems, and controller displays.
- The tower has the largest cab ever built by FAA -- more than two-and-a-half times as large as the old tower cab.
- It stands as a cornerstone in the modernization efforts at FAA. Over the past three years these efforts have turned around a modernization program. And Chicago has been and will continue to benefit from these efforts.

- Chicago is one of the great gateway cities cities of the United States. And the tower we are dedicating today will help to widen that gate for all the growth in traffic that we expect in the years ahead..
- Building the new tower is just one of the many we must take now to prepare for this growth. Not only here in Chicago, but throughout the country.
- Throughout this effort, FAA employees have demonstrated the highest levels of dedication and professionalism.
- Congratulations to each and every one of you for contributing to the success of this project. I am so proud to be one of the leaders of an organization so committed to safety and the best value for the American public.

- If Congress continues to support our efforts for more businesslike flexibility, and meets the demanding resource challenges of the future, we can achieve the safety goals we have set for ourselves, and for which the public demands our complete success.
- The American public expects -- and deserves -- the best and safest airspace system in the world. With the new Chicago Tower and TRACON, that's exactly what the FAA is delivering, and there are even better days ahead.

Thank you.

**THE HONORABLE LINDA HALL DASCHLE
DEPUTY ADMINISTRATOR, FAA
National Association of Air Traffic Specialists
San Francisco, CA; October 24, 1996**

Good morning.

I want to thank Gary Simms for inviting me here, and for that warm introduction. The National Association of Air Traffic Specialists have been a valuable labor partner for 30 years. I have enormous respect for your work in fostering the best and safest aviation system in the world.

My days as a flight services weather observer in Kansas came to mind last week when I read a story about Wichita's attempt to hire new aircraft workers.

Business, you know, is booming for aircraft manufacturers, and the companies in Wichita are trying to recruit some of the people who had been laid off several years ago in California and Washington State. (That was during a previous Administration, of course.)

One question that kept coming up was about the weather.¹ Everyone who had seen "Twister" was worried about moving anywhere near tornado country.

I don't remember ever seeing a category 5 twister, but weather is very important in that part of the country. Especially to general aviation pilots.

People depend on Flight Service. You're not only a big part of many small communities -- you're the root system for our nation's aviation complex.

And I'm glad to get back to my roots, if only for a few hours.

This has been a year when we could easily lose our perspective. The FAA has always been a high profile agency, but we've never had a year like 1996.

¹ "Plane Makers Search for Workers to Meet Increased Demands", *The Wichita Eagle*, October 7, 1996

You don't need to be told that the FAA is having a rough year -- one marred by tragedy and misfortune. Two major air disasters have shocked and saddened the nation.

These stories dominated the headlines for days on end, and, inevitably, raised questions about how well the FAA was doing its job. We all realize we work in an agency where there is -- and needs to be -- zero tolerance for accidents.

As tragic as these events were, we must not allow them to diminish our justifiable pride in our work, or to undermine our confidence in what we have achieved.

But the fact that we are exposed to relentless scrutiny means that we must never relax our vigilance -- nor fall behind in our efforts to improve the quality of our work and the skills of our workforce.

When aviation historians look back on the events of this year and this decade, I believe they will write ... not about tragedy ... but about progress. Because the flip side of adversity is opportunity.

We faced major challenges. Working together, we found creative ways to deal with them. And, as a result, the FAA is in the best position it has ever been to maintain the highest standards of air safety in the years ahead.

Almost three years ago, we took an advanced automation program that was in terrible shape, overhauled it, and got it back on track. We're giving our employees better tools to do their job and saving taxpayers \$1.6 billion dollars. I don't mind telling you, I'm proud I was part of that decision.

We've downsized, right-sized, re-engineered, and refocused our organization.

We've shown that government agencies can deliver services efficiently and effectively by spending fewer dollars and using fewer people. And that you don't have to destroy morale or productivity in the process.

Today, our agency has 5,000 fewer employees than it had three years ago. This would be tough enough task under any circumstances. But when it has to be done within the confines of outdated and restrictive personnel rules ... then it becomes a remarkable achievement.

Our union leaders and managers know better than anyone else the constraints that our agency was under when it came to budgets, acquisition, and personnel policies. You helped us bring about meaningful change, and I thank you for it.

This April, we were given an opportunity available to no other federal agency. We were allowed to completely rewrite our acquisition and personnel systems.

Today, we don't have to wade through a seven-foot high stack of regulations anymore to buy a piece of new equipment. A few weeks ago, we awarded the STARS contract to replace the computers in the towers and TRACON's. And we did it in half the time it would have taken under the old system.

Once it might have taken *seven years* to deploy an important system like STARS. With our new flexibility, we intend to put the first one in Boston in about two years time.²

On the personnel side, we cut more than a thousand pages of rules down to a 41-page manual. We can hire a person from the outside in about six weeks now. It used to take seven months. Promotions and transfers used to take three months. Now they be done in four or less.

We eliminated artificial time-in-grade restrictions. If you can do the job, you get the pay.

² The FAA plans to have the first STARS operational in Boston by December 1998, with subsequent deliveries through 2007; FAA News, APA-154-96, September 16, 1996.

With our new flexibility, we will put the right people in the right jobs, reward high performers, and remove poor ones. And we will invest in the education and training of our work force.

More will be expected of all of us. But the new personnel system gives us the authority and the flexibility to compensate employees more fairly for their work.

These are bold changes ... you may even find some of them a bit worrisome. We said when the reforms were announced that there were still details to be worked out. There are. We will again be turning to the National Association of Air Traffic Specialists to join us at the table, to roll up your sleeves and to work with us in doing this right.

For the first time in the history of the FAA, we can create a work environment to our specifications. And we have the freedom to make and remake that environment until reality matches our ideals. Not many organizations ... in government or industry ... get such a chance. We need you, and every employee, to help us make this happen.

The Reauthorization Bill

The FAA reauthorization bill which the President signed two weeks ago reinforces our acquisition and personnel reforms. And it takes us another step closer to the third and final reform that we have been seeking ... a new and better way to finance the FAA.

If you listened to the Presidential debates, you know that the issue of balancing the budget is going to be very much alive.

I've worked hard to drive home the message that there's a big gap between what we need just to fund *today's* level of service through the year 2002 ... and the spending assumptions agreed to in the balanced budget blueprint last year by the Congress.

According to our estimates, that gap is nearly ***\$12 billion dollars***. Some people have criticized our analysis. But even if we're off by half, we're still \$6 billion dollars short.

Some might be tempted to look at our 1997 budget and think, "Gee, we didn't do too bad." And that's true. Our budget this year is \$140 million above last year's funding level, which allows us to move some vital safety initiatives forward.

We will be able to hire 250 new controllers and backfill an additional 250.

The Airway Facilities staff will increase by 135.

We are adding 306 flight safety inspectors and 104 aircraft certification personnel to strengthen our oversight of fast-growing, low cost carriers.

Along with these new hires, the 1997 Transportation Appropriation bill also provides 130 security and legal specialists to implement new initiatives designed to keep certain types of hazardous materials off passenger planes.

We appreciate the efforts of aviation leaders in Congress, Secretary Pena, the President and Vice President who helped us secure these resources -- especially in this harsh budget climate.

In the parlance of the federal budget, every dollar the FAA spends is considered "discretionary". Mandatory expenses, like national defense, social security, Medicare and Medicaid, absorb 64 percent of the total federal budget. We complete, along with other government agencies, for the remaining 36 percent. By the year 2002 the discretionary pool will drop to 28 percent.

As long as our funds come from the general treasury, we will face an uncertain financial future.

(Slide: Spending and Workload Trends, FY 1995 thru FY 2002)

Consider this. The number of passengers taking commercial flights is expected to grow by 33 percent between now and the year 2002. The number of flights needed to transport these passengers will grow by 20 percent.

The question now is “how can we meet the growth projections of the industry when the resources we need for the job are shrinking rather than expanding?”

To make matters more complicated, even though the trust fund taxes have been extended after a lapse of about eight months, they are due to expire again at the end of December. But there is good news. Finally, it's become clear to everyone that this current financing arrangement is unacceptable. And they all agree that we must figure out a constructive way to address this situation.

The reauthorization legislation signed by President on October 9th, requires the Administrator to make an independent assessment of the agency's funding needs through the year 2002. Hopefully, this will put to rest any lingering questions over the size of the funding gap.

A National Civil Aviation Review Commission will be established, to be composed of 21 members; 13 appointed by the Secretary of Transportation in consultation with the Secretary of the Treasury, and the remainder appointed by Congress.

The Commission members are to be experts in aviation, and the membership must strike a balance between the divergent views of various segments of industry. At least one member is to have detailed knowledge of the Federal budget process. The Commission will create two task forces: one to focus on aviation safety, and the other on aviation funding.

Ultimately, the Commission will recommend the best financing mechanisms. So, the roadmap for FAA finance reform is in place.

I know the term "historic proportions", is often misused, but it describes the reauthorization bill exactly right.

Ordinarily, the purpose of these bills is to extend the funding authority for the FAA's capital programs ... like airport grants and system modernization.

This bill does that ... and much, much more.

It removes the agency's so-called "dual mandate." Now everyone will know what we have always known: the FAA's mission is safety. Period.

It strengthens the Administrator's authority to respond directly and promptly to safety problems.

It sets time limits for publishing final safety rules, and gives the Administrator the tools that will help meet those limits.

It creates a 15-member Management Advisory Council to advise on critical matters facing the agency such as management, policy, spending, funding, and regulations. Two council members will be designees of the secretaries of Transportation and Defense. The Administration will put forth the names of the remaining 13 Council members to be appointed by the President -- appointments which will require Senate confirmation. In a very real sense, FAA will have a Board of Directors.

We benefited from so many important pieces of legislation in the closing days of this Congress that we almost need a score card to keep track. Basically, there were three separate bills: the FY 1997 Transportation Appropriations bill, the FAA reauthorization bill, and the government-wide omnibus spending bill.

I've talked a bit about the first two bills -- let me give you a bit of background the omnibus spending bill.

Aviation accidents are often catalysts -- sometimes causing regulators and legislators to reorder their priorities. The ValuJet crash and the TWA explosion were unusual in the nature of the questions they brought to the public's attention.

In June, the Administrator asked me to lead a 90-day ValuJet "lessons learned" effort and to once again ask ourselves: is there more we need to do, today, to improve the safety of the aviation system? We focused our efforts on how effectively the FAA deploys its resources in overseeing airlines and responding to changes in the airline industry.

In conducting this review, we took a page from Vice President Gore's National Performance Review: we sought ideas from the people who knew the most about the problem -- what works and what doesn't. We assembled a team of 50 FAA and DOT employees with front-line, day-to-day safety oversight. The team surveyed the views of 65 key individuals in government and industry, and contacted 26 organizations.

By the time we completed the review in mid-September, we had identified some 30 recommendations in six broad categories. The report has been presented to the Administrator and he has strongly endorsed every recommendation.

Here are four of the main points.

One, we will create a national certification safety team to assist local flight safety officers in processing new entrant carrier certificates.

Two, we will increase the safety surveillance and growth management requirements for these airline.

Three, we will upgrade and accelerate the introduction of information management tools and training so our safety inspectors will have access to the right information when they need it.

And, four, we will increase the number of inspectors needed to do the job today and in the future.

David Hinson accepted these recommendations. He also called on FAA employees to develop a game plan for bringing these activities on-line as soon as possible.

And we didn't stop there. We knew that for these recommendations to take hold, more resources would be needed. So, we went back to work in the closing hours of the Congress and we succeeded.

The omnibus spending bill provides the FAA \$13 million dollars and new hiring authority for 220 safety inspectors and support staff. This is in addition to those we received in the 1997 appropriations bill.

Furthermore, the omnibus spending bill gives us an additional \$2.5 million to accelerate hiring of the safety inspector positions we received in the appropriations bill, and \$3.5 million for SPAS -- the on-line safety performance and analysis system.

Getting an additional \$16.3 million dollars when everyone was in a rush to go home was a virtually unprecedented feat. And I can't say enough about the 90-day review team. None of this would have been possible without them. Our success in securing these dollars demonstrates the quality of the team's recommendations and the strength of the case they prepared.

There is one more initiative I would like to discuss quickly. That initiative is the Vice Presidential Commission on Aviation Security, Safety, and ATC Modernization.

After the TWA explosion, President Clinton asked the Vice President and a commission of experts to review the FAA's management of these three areas, recommend the best form of governance, and a funding process that best suits our needs.

The commission has completed the security review and the reauthorization legislation and the spending bill adopts many of its recommendations. The omnibus spending bill, for example, provides the FAA \$197.6 million dollars to increase security in our airports and on our airplanes.

As I said at the beginning, adversity is often the catalyst for constructive change.

Because of two bills, we will install hundreds of state-of-the art bomb detection scanners in our airports, and expand the use of bomb-sniffing dogs. Background and FBI checks will become routine for airport and airline employees with access to security areas.

And, over the next two years we will hire 300 more security agents to work with our airports, law enforcement and intelligence agencies in the fight against terrorist and criminal attacks.

Last week, the Vice Presidential Commission kicked off the remaining phases of its review with briefings by the Administrator, myself, Monte, and other senior advisors.

And the agency's work with the Gore Commission will continue through February of next year.

I want to close by telling you, once again, how much I have enjoyed spending this time with you. The progress that the FAA has made this year would not have been possible without the support of our managers, our employees, and our union leaders.

As I look back over my three years with the FAA, we have achieved a great deal together. We've got ATC modernization on track; we've established a single level of safety for air carriers; we've developed a blueprint of the future for regulation and certification through Challenge 2000.

Together we have set ambitious goals: zero accidents; full FAA reform -- personnel, acquisition and financial. And in the face of adversity, we have found opportunity.

Of all the lessons I've learned throughout the years, I believe one stands out above all others: that cooperation and mutual respect gets us through the worst of times and assures us the best of futures.

Again and again, what I have seen is the excellence of our people. I can't think of another group of federal workers -- anywhere in government - - who shoulder so much responsibility every hour of every day -- and carry out this duty with such integrity and professionalism.

The Navy is rightly proud of the SEALs, the Air Force of its fighter pilots, the State Department of its career foreign service officers. The FAA is just as proud of its own elite corps -- the men and women who keep air traffic flowing safely and efficiently throughout our nation's airspace.

Thank you for all of your support and hard work during the past three years.

THE HONORABLE LINDA HALL DASCHLE
DEPUTY ADMINISTRATOR, FAA
FEDERAL MANAGERS ASSOCIATION
Las Vegas, Nevada: October 23, 1996

Good afternoon.

I want to thank Bill Pearman for inviting me here. And I want to thank all of you for this fine turn-out. You had a tough choice. Go to the casino, go to the pool, or come listen to a bunch of headquarters-types. This truly is a "gathering of eagles" and I'm glad we can spend some time together.

I've always considered it an important part of my job to know what people throughout the FAA are thinking. I've not been able to get away from Washington as much as I'd hoped, so I've had to find other ways to open lines of communication.

I'm well aware that most our employees have never been in the headquarters building ... much less on the 10th floor. I've tried, as best I can, to change that. I've tried to make it clear that my office is always open, and that we welcome the opportunity to show you around.

At different times over the past three years, I've invited people in from the field to work in my office on detail. Their job was to provide a reality check and a fresh perspective -- to help shape policies and programs that make sense and achieve the goals of our front-line work force.

With the funding shortages we faced, I couldn't do this as often as I wanted. But the four people I brought in provided me a good education on the problems that you have to deal with every day.

These details added to the great respect that I have our workforce -- for your professionalism and integrity in the pursuit of safety.

This has been a year when we could easily lose our perspective. The FAA has always been a high profile agency, but we've never had a year like 1996.

Will Rogers was fond of saying "All I know is what I read in the papers". But I hope none of you are following his example. Over the past

few months it seemed that every newspaper I picked up had something adverse to say about the FAA.

Two major accidents raised questions about the safety of air travel. And that, inevitably, raised questions about how well the FAA was doing its job.

As tragic as these events were, we must not allow them to diminish our justifiable pride in our work, or to undermine our confidence in what we have accomplished.

When aviation historians look back on the events of this year and this decade, I believe they will write ... not about tragedy ... but about progress. For what the newspaper stories never mention is that the flip side of adversity is opportunity.

We faced major challenges. Working together, we found creative ways to deal with them. And, as a result, the FAA is in the best position it

has ever been to maintain the highest standards of air safety in the years ahead.

Two years ago, we took an advanced automation program that was in terrible shape, overhauled it, and got it back on track. We're giving our employees better tools to do their job and saving taxpayers \$1.6 billion dollars. I don't mind telling you, I'm proud I was part of that decision.

We've downsized, right-sized, re-engineered, and refocused our organization.

We've shown that government agencies can deliver services efficiently and effectively by spending fewer dollars and using fewer people. And that you don't have to destroy morale or productivity in the process.

Today, our agency has 5,000 fewer employees than it had three years ago. This would be tough enough task under any circumstances. But when it has to be done within the confines of outdated and restrictive personnel rules ... then it becomes a remarkable achievement.

Our union leaders and managers know better than anyone else the ridiculous constraints that our agency was under when it came to budgets, acquisition, and personnel policies. You helped us bring about meaningful change, and I thank you for it.

This April, we were given an opportunity available to no other federal agency. We were allowed to completely rewrite our acquisition and personnel systems.

We don't have to wade through a seven-foot high stack of regulations anymore to buy a piece of new equipment. A few weeks ago, we awarded the STARS contract to replace the computers in the towers and TRACON's. And we did it in half the time it would have taken under the old system.

Once it might have taken *seven years* to deploy an important system like STARS. We intend to put the first one in Boston in about two years time.¹

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On the personnel side, we cut more than a thousand pages of rules down to a 41-page manual. We can hire a person from the outside in about six weeks now. It used to take seven months. Promotions and transfers used to take three months. Now they be done in four or less.

We eliminated artificial time-in-grade restrictions. If you can do the job, you get the pay.

With our new flexibility, we will put the right people in the right jobs, reward high performers, and remove poor ones. And we will invest in the education and training of our work force.

More will be expected of all of us. But the new personnel system gives us the authority and the flexibility to compensate employees more fairly for their work.

These are bold changes ... you may even find some of them a bit worrisome. I want to emphasize that for the first time in the history of the FAA, we can create a work environment to our specifications. And we have

the freedom to make and remake that environment until reality matches our ideals. Not many organizations ... in government or industry ... get such a chance. We need you, and every employee, to help us make this happen.

The Reauthorization Bill

The FAA reauthorization bill which the President signed two weeks ago reinforces our acquisition and personnel reforms. And it takes us another step closer to the third and final reform that we have been seeking ... a new and better way to finance the FAA.

If you listened to the Presidential debates, you know that the issue of balancing the budget is going to be very much alive ... no matter who wins the election.

I've worked hard to drive home the message that there's a big gap between what we need just to fund *today's* level of service through the year 2002 ... and the spending assumptions agreed to in the balanced budget blueprint ~~agreed to~~ last year by the Congress.

According to our estimates, that gap is nearly *\$12 billion dollars*.

Some people have criticized our analysis. But even if we're off by half, we're still \$6 billion dollars short.

Some might be tempted to look at our 1997 budget and think, "Gee, we didn't do too bad." And that's true. Our budget this year is \$140 million above last year's funding level, which allows us to move some vital safety initiatives forward.

We will be able to hire 250 new controllers and backfill an additional 250.

The Airway Facilities staff will increase by 135.

We are adding 306 flight safety inspectors and 104 aircraft certification personnel to strengthen our oversight of fast-growing, low cost carriers.

Along with these new hires, the 1997 Transportation Appropriation bill also provides 130 security and legal specialists to implement new initiatives designed to keep certain types of hazardous materials off passenger planes.

We appreciate the efforts of aviation leaders in Congress, Secretary Peña, the President and Vice President who helped us secure these resources -- especially in this harsh budget climate.

In the parlance of the federal budget, every dollar the FAA spends is considered "discretionary". Mandatory expenses, like national defense, social security, Medicare and Medicaid, absorb 64 percent of the total federal budget. We compete, along with other government agencies, for the remaining 36 percent. By the year 2002 the discretionary pool will drop to 28 percent.

As long as our funds come from the general treasury, we will face an uncertain financial future.

(Slide: Spending and Workload Trends, FY 1995 thru FY 2002)

Consider this. The number of passengers taking commercial flights is expected to grow by 35 percent between now and the year 2002. The number of planes needed to transport these passengers will grow by 18 percent.

The question now is "how much more can we do with how much less?"

Even though the trust fund taxes have been extended after a lapse of about eight months, they are due to expire again at the end of December. It's finally become clear to everyone that this current financing arrangement is unacceptable. And they all agree that we must figure out a constructive way to address this situation.

Finally, we're beginning to see light at the end of the tunnel.

The reauthorization legislation signed by President on October 9th, requires the Administrator to make an independent assessment of the

agency's funding needs through the year 2002. Hopefully, this will put to rest any lingering questions over the size of the funding gap. A 21-member commission will review that assessment and recommend the best financing mechanisms.

I know the term "historic proportions", is often misused, but it describes the reauthorization bill exactly right.

Ordinarily, the purpose of these bills is to extend the funding authority for the FAA's capital programs ... like airport grants and system modernization.

This bill does that ... and much, much more.

It removes the agency's so-called "dual mandate." Now everyone will know what we have always known: the FAA's mission is safety. Period.

It strengthens the Administrator's authority to respond directly and promptly to safety problems.

It sets time limits for publishing final safety rules, and gives the Administrator the tools that will help meet those limits.

It creates a 15-member Management Advisory Council to advise on critical matters facing the agency. Thirteen members will be appointed by the President and the Congress.

Most importantly, this legislation -- and the budget bill the President signed two weeks ago, gives us the tools and the resources we need to increase safeguards against terrorism and to step up our safety inspection programs.

Let me give you a bit of background about these initiatives.

Aviation accidents are often catalysts -- sometimes causing regulators and legislators to reorder their priorities. The ValuJet crash and the TWA explosion were unusual in the nature of the questions they brought to the public's attention.

Ninety days ago, David Hinson asked me to lead an effort to find out what lessons the FAA should learn from the ValuJet experience. We completed our work and submitted our report four weeks ago.

In conducting this review, we took a page from Vice President Gore's National Performance Review: we sought ideas from the people who knew the most about the problem -- what works and what doesn't. We assembled a team of 50 FAA and DOT employees with front-line, day-to-day safety oversight. The team surveyed the views of 65 key individuals in government and industry, and contacted 26 organizations.

By the time we completed the review, we had identified some 30 recommendations in six broad categories. The report has been presented to the Administrator and he has strongly endorsed every recommendation.

Here are four of the main points.

One, we will create a national certification safety team to assist local flight safety officers in processing new entrant carrier certificates.

Two, we will increase the safety surveillance and growth management requirements for these airline.

Three, we will upgrade and accelerate the introduction of information management tools and training so our safety inspectors will have access to the right information when they need it.

And, four, we will increase the number of inspectors needed to do the job today and in the future.

I mention these recommendations because we were able to get them into the reauthorization bill and the omnibus spending bill.

Specifically, the omnibus spending bill provides the FAA \$13 million dollars and new hiring authority for 220 safety inspectors and support staff. This is in addition to those we received in the 1997 appropriations bill.

Furthermore, the omnibus spending bill gives us an additional \$2.5 million to accelerate hiring of the safety inspector positions we received in the appropriations bill, and \$3.5 million for SPAS -- the on-line safety performance and analysis system.

We benefited from so many important pieces of legislation in the closing days of this Congress that we almost need a score card to keep track. Basically, there were three separate bills: the FY 1997 Transportation Appropriations bill, the FAA reauthorization bill, and the government-wide omnibus spending bill.

We owe a lot to David Hinson for going to bat for us in the closing hours before Congress adjourned. Getting an additional \$16.3 million dollars when everyone was in a rush to go home was a virtually unprecedented feat. And I can't say enough about the 90-day review team. None of this would have been possible without them.

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After the TWA explosion, President Clinton asked the Vice President and a commission of experts to review the FAA's management of these three areas, recommend the best form of governance, and a funding process that best suits our needs.

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And, over the next two years we will hire 300 more security agents to work with our airports, law enforcement and intelligence agencies in the fight against terrorist and criminal attacks.

Last week, the Vice Presidential Commission kicked off the remaining phases of its review with briefings by the Administrator, myself, Monte, and other senior advisors.

I want to close by telling you, once again, how much I have enjoyed spending this time with you. The progress that the FAA has made this year would not have been possible without the support of our managers, our employees, and our union leaders.

Of all the lessons I've learned throughout the years, I believe one stands out above all others: that cooperation and mutual respect gets us through the worst of times and assures us the best of futures.

You've been a great audience and I thank you very much.

**Talking Points Prepared for Linda Hall Daschle
FAA Deputy Administrator
STARS Employee Award Ceremony
October 29, 1996**

- What a great turn-out for your team -- I'm very impressed!
- With the contract now awarded -- you can begin to embark on all of those activities that will lead to STARS deployment in Boston in 1998.
- I think this is a perfect opportunity to reflect on the direction that we have been taking the agency in the past few years -- especially as it relates to the hard work that lies ahead of you.
- First of all, I want to say that I echo all of David's remarks.
- STARS is going to be a great addition to the FAA and will enhance our National Airspace System immensely.
- I'm going to focus on several points that David made.
- I think one of the fundamental changes we've made at the agency in the past few years that has helped make more rapid acquisitions like the STARS possible is that we've reorganized our system development organization into integrated product teams.
- Independent business units that are responsible for all phases of a product's life cycle, from system design and acquisition all the way to system removal.

- We've made sure that these teams -- like STARS -- have all of the resources necessary to enable them to make good decisions, and, most importantly, we've empowered these teams to make those decisions.
- We've also streamlined our acquisition rules and processes.
- The STARS acquisition included several innovations made possible by the new acquisition management system put into place on April 1.
- In fact, STARS is a perfect example of how successful our new acquisition management system will be.
- One important feature of this procurement was the delegation of selection authority to you, the product team responsible for implementing the system.
- During the procurement process, significant communication took place between the agency and the bidders, which helped the companies better understand our needs.
- And in a key part of the competition -- a competition that was designed to include only qualified bidders -- each of the three finalists performed an on-site verification test of their actual systems which gave us invaluable data on the design maturity and stability of existing products, an important element of the selection process.

- As a result of these efforts, you were able to select the best, commercial-off-the-shelf-based system to provide a solid foundation for a fully capable STARS product.
- You were also able to award a contract in record time.
- Roughly six months from request for proposal to award... in less than half the time it has historically taken -- and, like David, I hope to see this performance repeated on other agency acquisitions.
- We're also undertaking a number of innovative programs aimed at bringing all interested parties -- the FAA, the Department of Defense, industry, and others -- to work together to foster the development of systems and equipment that meet the needs of all airspace users.
- STARS is one of those programs -- we'll be deploying the system in both civilian and military facilities alike.
- In closing, you have an enormous undertaking ahead of you.
- Fielding the STARS at 172 FAA and 199 Department of Defense (DOD) facilities is not going to be an easy feat.
- For some of you, it may be the greatest challenge of your career.

- The initiatives we've undertaken here at the FAA in the past few years -- realigning our system development organization into more self-sufficient, empowered, integrated product teams -- is much like that of private industry.
- And, like private industry, we are employing goalsharing to allow FAA employees to share in the benefits brought to citizens by bringing STARS into operation -- reforming our acquisition policies and procedures to ensure that we field needed systems and equipment rapidly... and undertaking a whole host of innovative FAA-industry partnership programs.
- I'm confident that we're making the changes and providing you with the tools that will help you do your jobs better and more effectively in the future.
- I want to thank each and everyone of you for the hard work you've done in getting the STARS contract awarded.
- The problem with this kind of excellent performance, of course, is that I now know what you are capable of doing -- and I'll expect nothing less from you in the future!
- Good luck and thank you once again.