

REMARKS BY DALE MCDANIEL FOR THE AVIATION INTERNATIONAL ROUNDTABLE SEPTEMBER 8, 1993

Good morning and welcome to our Aviation International Roundtable forum. I would like to thank Dr. Quandt and Dr. Halaby for taking time out of their schedules to share their expertise with us.

As you know, the Roundtable series was created to help the FAA prepare for the increasing globalization of aviation activities -- and our policy decisions. The discussions we have had to date on Eastern Europe, Asia and Latin America have been very beneficial. But I must admit that I have looked forward to today's Roundtable on the Middle East with particular interest. There may be no other region of the world about which Americans have such little understanding.

Yet the events of the last few years underscore the importance of this region to the U.S.

First of all, while Saddam Hussein holds power in Iraq, the U.S. military will remain on alert. And we all know how terrorism associated with Islamic fundamentalism has alarmed Americans; this, in particular, has serious implications for aviation security.

The U.S. also has a significant financial interest in the region. Did you know that of the top 20 recipients of U.S. foreign aid, Israel, Egypt and Turkey received over 60 percent (60%) of the total aid granted during 1982 to 1991? That amounts to about \$60 billion for those three countries alone. On the other side of the economic coin, because Saudi Arabia controls one-third of total OPEC production, it will continue to play a key role in determining world oil prices.

And if Saudi Arabia is in economic trouble, as recent news reports suggest, U.S. commercial interests in the region could be adversely affected.

As you know, the FAA is active in the Middle East. We have had an FAA Representative's slot in Jordan for some time, and for many years we have worked with the Israeli Airports Authority to upgrade their air traffic control system. Saudi Arabia is the only country outside of the U.S. where FAA performs airmen training and certification and, in fact, our Civil Aviation Assistance Group (CAAG) never left Jeddah during the Iraqi war. Secretary Peña and Administrator Hinson plan to visit the Middle East this fall, and they will no doubt emphasize President Clinton's support for U.S. aviation manufacturers.

Obviously, the Middle East is becoming increasingly important to the FAA, and it is essential that we understand and be able to **interpret** developments in the region. I think today's discussions will help us make sound strategy and policy decisions.

(Prepared by AIA-110)