

STATEMENT OF THE HONORABLE LANGHORNE M. BOND, FEDERAL AVIATION ADMINISTRATOR, BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, SUBCOMMITTEE ON AVIATION, CONCERNING LEGISLATION TO CHANGE THE FAA'S ORGANIZATIONAL STRUCTURE. AUGUST 20, 1980.

Mr. Chairman and Members of the Subcommittee:

You have asked me to appear before you today to present the Administration's views on several bills, two of which are intended to change by law the organizational structure of the FAA and one which would separate the FAA from the Department of Transportation. I am pleased to be given the opportunity to discuss these legislative proposals because I feel strongly that the enactment of any one of them by the Congress would be a mistake; a mistake that would impair the government's ability to deal comprehensively with aviation safety needs.

The bills before the Subcommittee are: H.R. 6771, H.R. 7850, and H.R. 351. I would like to discuss H.R. 6771 and H.R. 7850 first since the approach of these two bills is somewhat similar.

The thrust of H.R. 6771 is to direct the Secretary of Transportation to identify and transfer to the Office of the Secretary all functions of the FAA which are determined not to be related to aviation safety. H.R. 7850, using a slightly different approach, would fragment the FAA by establishing an independent agency, called the Air Safety Administration, which

would be responsible for aircraft and airman certification, the safety regulation of the aviation industry, and research and development functions. Another organization, called the Aviation Operations Administration, would remain within the Department of Transportation with responsibility for operating and maintaining the air traffic control system, administering National and Dulles Airports, administering the airport grant program, carrying out the FAA's hazardous materials functions, and administering various provisions of the Aviation Safety and Noise Abatement Act.

These two bills have been proposed in apparent response to the recent GAO report which looked at the performance of the FAA. It is also my understanding that the bills' sponsors see the bills as a means of divorcing the FAA's purportedly inconsistent dual charter to promote aviation and to make it safe.

Let's look first at the GAO's conclusions. Briefly stated, it was the GAO's opinion that the FAA has not always responded quickly enough to meet the demands of aviation safety, and that the FAA's planning processes were not sufficiently developed to enable the FAA to be ahead of the power curve and to prioritize its work to meet best the needs of aviation safety. As with

any general statement, there is some truth in their findings. I would point out, though, that there are many things I have done in my term as Administrator to work towards making the system more responsive to the needs of aviation safety. And we have made progress. I would also add that we have acted to put in place a better coordination and planning process within the FAA, which we can discuss later if you would like. That effort was the logical follow-on to my efforts to realign and revitalize the FAA's organizational and management structure and could not have been implemented effectively before the organizational changes were in place. I would also observe that the GAO did acknowledge that a variety of efforts had been undertaken within the FAA to better our ability to promote safety. Nonetheless, as with any bureaucracy, there are times when we have not performed well. On the other hand, there are many areas in which we have performed splendidly, and I will compare the FAA's day-to-day record of operations against any other Federal, state, or local agency.

The record of aviation in the United States is unsurpassed by anything else of which I can think. Since the creation of the FAA in 1958, there has been steady, and in some cases dramatic, progress towards improving the safety of our air transportation system. The FAA has installed more and more navigational aids throughout the system, and the quality and reliability of those

facilities has gotten increasingly better. Our air traffic system, today, is the most sophisticated and safest in the entire world. The aircraft and avionics we build and use in the United States are of the finest quality. Though there have been claims that these improvements somehow took place without the FAA's involvement, anyone familiar with the history of the aviation industry knows that to be an absolute distortion of the facts.

I see nothing whatsoever to be defensive about in the way the FAA has worked to make and keep the United States' air transportation system the best in the world; and it is the best. To the contrary, I firmly believe that the FAA's employees have a lot for which they should be proud. Unfortunately, in our society, people are seldom given recognition for the good things they do. The attention is focused on the rare accident that inevitably occurs. Yet, the amount of attention that is focused on that rare accident says something to me about peoples' expectations of the performance of our air transportation system. The performance of that system has gotten so good, and peoples' expectations of how well the system performs have grown so high, that an aviation accident draws attention in a manner unlike that found in any other mode of transportation.

Does the fact that we have the finest air transportation system in the world mean that it can't be improved? Of course not. I have spent three years, and others have spent full careers, working to find ways that the safety of our system can be improved.

The reason I think it's crucial that we focus on how well the system works is that I believe it's a fair, and perhaps the only objective, measure of how well the FAA has fulfilled the responsibilities given it by the Congress in 1958. I strongly suggest to the Members of this Subcommittee that, when you consider the merits of any legislative action based upon the GAO's conclusions, you keep in mind the performance of our present system.

Having offered some general philosophy regarding the bills, I would like to offer some specific observations.

H.R. 6771 would have the Secretary identify and transfer all functions of the FAA not related to aviation safety to the Office of the Secretary. It is unclear to me exactly what functions of the FAA could be construed to be unrelated to aviation safety. Virtually all functions performed by the FAA bear a relationship to safety. The airport grants program has made many important contributions to the safety of our system.

Our research and development programs provide the foundation for major advances in aviation safety. Efforts to reduce aircraft noise must be directly tied to safety assessments, with noise abatement procedures requiring thorough operational review and reductions of noise at the source requiring airworthiness review. This safety relationship was expressly recognized by the Congress which directed the FAA to consider whether any proposed noise standard or regulation is consistent with the highest degree of safety. The people in our policy and plans offices help us to get ahead of the power curve by forecasting what the future air transportation system will look like, enabling us to put together a system that will safely meet those needs. Virtually all FAA functions are linked to safety.

If the intent of the bill is that FAA's administrative functions should be considered unrelated to safety and transferred to the Office of the Secretary, this would seriously impair our ability to carry out our safety mission. There are a variety of administrative-type functions common to all large organizations, whether in the government or private sector. These functions encompass such areas as contracting and personnel management. The FAA has a number of specialized needs which must be understood and fulfilled by its administrative structure. For example, the FAA has a number of

specialized training needs for its controller and electronic technician workforce. I think it's apparent that the FAA's expertise in air traffic control and air navigation systems puts the FAA in the best position to define training needs as well as to develop and carry out programs to meet them. The same holds true in other areas. For example, the specialized nature of the equipment provided by the FAA and the complex nature of our R&D and equipment contracting argue strongly for the FAA to retain its own logistics capabilities. FAA's over 19,000 operating facilities located throughout the U.S. and the world also argue for the FAA to retain control of its materiel support system. There are many other examples which could be cited demonstrating a convincing need for the FAA to retain control over its administrative processes.

In short, it would be detrimental for the FAA's administrative capabilities to be transferred to the Office of the Secretary. I am unsure what other kinds of functions performed by the FAA would be considered by the bill's sponsor to be unrelated to safety. I would be pleased to discuss with the Subcommittee any function performed by the FAA and offer my views concerning the relationship of that activity to safety. I believe you will find that the performance by the FAA of industry promotion functions in contrast to the performance of safety functions has been grossly exaggerated. In fact, you will see that there

already exists an organizational delineation between the Office of the Secretary and the FAA over the performance of "promotional" activities and safety functions. The FAA performs the safety functions. The Office of the Secretary bears responsibility for performing such functions as filing comments on aviation economic issues with the CAB and negotiating international aviation economic issues.

I would like to turn now to H.R. 7850. This bill is potentially the most damaging of all to the government's ability to deal with aviation safety issues. This is because it would fragment what is now a coordinated approach to aviation safety.

H.R. 7850, if enacted, would take us back in time to the period in which aviation safety responsibilities were borne by several agencies. Following the tragic midair collision over the Grand Canyon and the tremendous furor which arose, the Congress and Executive Branch took a close look at aviation safety responsibilities in the Federal Government. Out of that review grew a clear consensus that the fragmentation of aviation safety responsibilities had created an intolerable situation that needed correction. The corrective measure was the establishment of the Federal Aviation Agency, an agency in which all aviation safety functions, other than accident

investigation responsibilities, were consolidated under the leadership of one person, the FAA Administrator. Through placing all aviation responsibilities in one agency, the needs of aviation safety could be assessed comprehensively on a systematic basis, maximum management discipline could be exercised over the conduct of those responsibilities, and accountability for the performance of aviation safety responsibilities was clear for the first time. All legislative changes in the structure of our air transportation system which have occurred since the inception of the FAA have recognized the continuing need to leave unimpaired that centralized responsibility for aviation safety.

Since 1958, the FAA has been in a position to consider in a comprehensive manner the total needs of aviation safety. Operational regulatory needs, air traffic system needs, equipment needs, airport needs, and future needs to be met by R&D could all be assessed by the FAA and the proper balance struck. H.R. 7580 fails to recognize the relationship and need for coordination that exists between all facets of the aviation activities carried out by the FAA. By establishing two separate agencies this legislation would impair the government's ability to coordinate effectively these activities. Just to cite one example out of many possible examples of this relationship, the bill totally fails to take

into account that the R&D activities of the FAA bear a direct relationship to the functions performed by the operating elements of the FAA. R&D is not a function performed by the FAA solely for the sake of performing R&D; R&D activities are conducted by the FAA to meet present or future needs defined by the operating elements of the FAA which are the users of the products developed through our R&D efforts. Even after the development of a product through FAA's R&D efforts, close coordination must be maintained with our R&D organization by the operating element charged with implementation of the product or service, and frequently follow-on R&D efforts are necessary to achieve further refinements. Briefly stated, the bill does not recognize that each element within the FAA is not a discrete element which can responsively deal with aviation safety needs in an independent manner. The activities performed within the FAA by virtually any organizational segment need careful and continuous coordination with other elements of the agency.

It is clear to me that statutorily dividing the FAA into separate "regulatory" and "operating" elements would be a mistake. As I mentioned a moment ago, it would be turning back the clock on aviation--despite the fact that all indicators of aviation industry performance show that great progress has been

made since 1958 by granting all aviation safety functions to one agency, under one central authority.

H.R. 351 would leave the FAA intact but would remove the FAA from the Department of Transportation. In essence the FAA would revert to the status it held from its creation in 1958 until the creation of the Department of Transportation in 1967. The Administration opposes this bill also. In a very real sense it would turn back the clock. The bill would work against the very reason for the establishment of the Department of Transportation--that consistent, integrated transportation policies and a balanced national transportation system can best be achieved by a single Federal Department with multimodal responsibilities. The exclusion of any major mode of transportation from the Department's responsibilities would be an impairment of the Federal government's ability to develop and maintain a sound National Transportation Policy effectively addressing all facets of transportation.

There are also benefits which accrue directly to the FAA, and hence to the public, from FAA's inclusion in the Department of Transportation. Among them are the fact that domestic and international aviation interests are represented at the Cabinet level; research and development efforts in other transportation modes are more easily transferred to Federal aviation programs,

and vice versa; and balanced and integrated transportation planning is promoted by the Department's assessment of the needs of the various transportation modes, which facilitates the development and implementation of transportation programs that recognize, use, and integrate the best attributes of each mode.

Mr. Chairman, I am not sure what has been the triggering factor for the legislation currently pending before the Subcommittee to reorganize the FAA. I have listened to the "promote" versus "safety" debate for some time now, and don't believe there is sufficient substance in that debate to have spawned the legislation. It is possible, though, that the bills may reflect concern that part of the safety equation calls for an assessment by the FAA of the cost/benefits of a proposed safety action. But that is a legitimate concern of any regulatory body. There is no such thing as an unfettered response to safety needs. Let me explain.

There are numerous factors, dictated by law or practicality, which bind the FAA, or any agency, in performing its mission. I want to make it clear that I am not expressing opposition to the existence of these factors; to the contrary, most have resulted from a balancing of an unrestricted exercise of government discretion with broader principles that foster the

general public welfare. Most serve legitimate, useful purposes. I think it's important, though, to keep in mind the kinds of processes which govern "how" as well as "how quickly" an agency can perform its mission.

Let me briefly enumerate some of these controls. First, there is the budget process. With limited resources, there will inevitably be needs that remain unfulfilled. This is true of the FAA, the same as it is for any Federal, state, or local agency. The budget process is a fully, legitimate exercise in which an individual agency's priorities are examined and balanced with competing needs of other agencies. Thus, it becomes important to determine where resources can best be applied. There are also numerous Federal Procurement Regulations. These regulations, frequently based on statutory requirements, have evolved over the years and are designed to assure that government agencies not only maximize competition but also carry out a variety of socio-economic policies of the government. Following the numerous contracting procedures extends the time necessary to procure safety equipment. Simply stated, we cannot always get safety equipment into the system as quickly as we would like, given the time lags associated with the budgetary and procurement processes. There are environmental laws and regulations we must follow. Even when a safety need is identified, there may be lengthy delays

associated with obtaining necessary environmental approvals. There is the Civil Service system. Significant benefits have been attained through enactment of the Civil Service Reform Act. Yet, it can still be difficult for a government manager to take necessary personnel actions in a prompt manner. Moreover, the pay structure does not adequately recognize or compensate an employee who lives in a high cost area, making it tough for the FAA to attract high quality employees in sufficient numbers to a number of locations in the United States. Also, it is difficult to attract top quality employees from the private sector to the FAA because of the salaries which are offered in the private sector. The FAA must also be responsive to the will of the Congress and the public. Controversial rulemaking activities can severely hamper an agency's ability to perform its mission. That fact was clear when we initiated our rulemaking efforts to establish controlled visual flight rules and to add more terminal control areas to the system. When we proposed that all passengers aboard an air carrier aircraft keep their seatbelts on during flight, there was an outpouring of negative sentiment, including opposition from the Aviation Consumer Action Project. We also must follow, except in emergency situations, the Administrative Procedure Act. The Congress requires that the public be given a full opportunity to participate in agency rulemaking activities. This is as it should be. But it takes

time to draft the proposed rules, to publish them for comment in the Federal Register, to allow sufficient opportunity for public comment, and to consider the public comment received. We are also required to follow the requirements of Executive Order 12044 in our rulemaking activities. The order requires consideration of costs and benefits and careful assessment of proposed rules before their issuance. It's a sound process that has benefited all parties in the regulatory process, but it does prescribe additional requirements that an agency must follow before promulgating rules.

The point I want to make is that the FAA cannot, as a rule, look at the system, decide unilaterally what changes it wants, and then make those changes overnight. Numerous processes govern our ability to do what we think is right. Where unusual circumstances exist--such as when I grounded the DC-10 fleet--we will act immediately to take whatever action is necessary. But, more frequently we must follow the normal processes and be able to offer full justification, both in a legal and practical sense, for the actions we take.

Before closing, I want to touch on the Blue Ribbon Panel report on the FAA's certification processes. Though we are not in a position to tell you at this time what specific actions will be taken in response to the report's recommendations, I will say that I believe the report reflects the hard work that was put

into it by a number of exceptionally well qualified people. It is clear to me that it was well thought out and the recommendations carefully considered. A significant point I would like to make about the report is that nowhere in the report is there the suggestion that the FAA should be statutorily reorganized or fragmented. Internal realignments within the FAA are recommended and the report discloses the Panel's opinion that the FAA is suffering from some of the ailments common in middle-aged regulatory bodies, the remedies for which are administrative in nature rather than legislative.

As for the status of our response to the report's findings and recommendations, we are carefully assessing within the FAA what our proposed response to the report should be. All regional offices with certification responsibilities and appropriate headquarters personnel are participating in this effort. I will be briefed shortly on proposed responses to the report, and the FAA's input will be provided the Secretary of Transportation the beginning of September. Secretary Goldschmidt, who commissioned the study, will make the decisions concerning the actions that will be taken in response to the report.

Mr. Chairman, that completes my prepared statement. My associates and I would be pleased to respond to questions you may have at this time.

Year	1957	1958	1967	1968	1977	1978
VOR/VORTAC *	486	556	959	952	1021	1020
Towers *	121	128	255	271	495	494
ILS *	165	171	264	279	678	698
Airport Surveillance Radars *	42	47	117	155	182	185
Passengers Carried (millions)	47	45	119	133	222	254
Passenger Miles Flown (billions)	25	26	79	87	166	192
Accidents	53	42	67	44	15	18
Passenger Fatalities per 100 Million Passenger Miles	.1	.43	.29	.30	.038	.007
Accidents per 100,000 hours	38.4	36.4	27.6	21.1	12.0	12.6
Fatalities per 100,000 hours	4.0	3.1	2.7	2.9	2.0	2.2
Civil Fleet (Registered) (1,000's)	67	70	116	127	215	237
Air Carrier Fixed Wing Aircraft (1,000's)	1.8	2.0	2.5	2.6	2.5	2.5
Aircraft Activity at FAA Towers (millions)	25.1	26.6	50.0	55.3	66.7	67.2
IFR Aircraft Handled by Centers (millions)	8.0	9.0	16.6	19.4	26.0	28.0
Certificated Pilots (1,000's)	309	354	618	692	784	799
Other Certificated Airmen (1,000's)	149	157	232	250	349	362

* Includes a limited amount of non-Federal & military facilities.

