

**STATEMENT OF THE HONORABLE JIM BURNLEY,
DEPUTY SECRETARY OF TRANSPORTATION
BEFORE THE
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
SUBCOMMITTEE ON AVIATION,
CONCERNING AIRPORT AND AIRWAY AUTHORIZATIONS
FEBRUARY 24, 1987**

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

IT IS A PLEASURE TO BE HERE TODAY TO TESTIFY ON THE "AIRPORT AND AIRWAY ENHANCEMENT ACT OF 1987." WITH ME TODAY IS ADMIRAL DON ENGEN, ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION.

THE ADMINISTRATION'S PROPOSED LEGISLATION HAS ONE GOAL: A SAFE, EFFICIENT NATIONAL AVIATION SYSTEM FULLY EQUIPPED TO MEET THE EXPANDING NEEDS OF ONE OF THE MOST DYNAMIC INDUSTRIES IN THE COUNTRY. WE ACHIEVE THAT GOAL IN TWO WAYS. FIRST, THE PRESIDENT'S FISCAL YEAR 1988 BUDGET, REFLECTED IN THIS LEGISLATION, WOULD INCREASE AVIATION SAFETY, SECURITY AND CAPACITY ENHANCEMENT FUNDING BY ABOUT 20 PERCENT OVER CURRENT LEVELS. SECOND, THE BILL WOULD FOCUS FEDERAL AIRPORT GRANT FUNDS ON ENHANCING THE CAPACITY OF THE AIRPORT AND AIRWAY SYSTEM, WHILE PROVIDING STATE GOVERNMENTS AND LOCAL AIRPORT OPERATORS WITH INCREASED FLEXIBILITY AND AUTHORITY OVER AIRPORT DEVELOPMENT.

THE AVIATION INDUSTRY HAS GROWN MORE RAPIDLY THAN ANYONE COULD HAVE PREDICTED AT THE TIME THE AIRLINE DEREGULATION ACT WAS PASSED IN 1978. DOMESTIC PASSENGER MILES HAVE INCREASED MORE THAN FIFTY PERCENT SINCE 1978. THE BROOKINGS INSTITUTION RECENTLY PUBLISHED A STUDY ESTIMATING \$6 BILLION IN BENEFITS PER YEAR TO TRAVELERS FROM ECONOMIC DEREGULATION. CLEARLY, DEREGULATION HAS BEEN A MAGNIFICENT SUCCESS, WITHOUT ANY ADVERSE IMPACT ON SAFETY. IN FACT, THE AVIATION SAFETY RECORD SINCE 1978, FOR EVERY CATEGORY OF DOMESTIC AVIATION, HAS BEEN ONE OF DRAMATIC IMPROVEMENT. THE ACCIDENT RATE FOR OUR LARGER AIRLINES, i.e., PART 121 CARRIERS, HAS BEEN CUT IN HALF OVER THE LAST EIGHT YEARS, COMPARED TO THE EIGHT YEARS PRECEDING DEREGULATION. LAST YEAR, OVER 400 MILLION PASSENGERS FLEW ON U.S. CARRIERS WITHOUT A SINGLE FATALITY. ALSO, COMMUTER AIRLINES HAD THE LOWEST FATALITY RATE SINCE SEPARATE RECORDS WERE FIRST COMPILED FOR THEM IN 1975, AND GENERAL AVIATION SET NEW RECORDS FOR SAFETY IN EVERY STATISTICAL CATEGORY USED BY THE NTSB.

WE ARE VERY PROUD OF THIS RECORD, AND WE BELIEVE THE NUMEROUS STEPS TAKEN IN RECENT YEARS BY SECRETARY DOLE AND THE LEADERSHIP OF THE FAA HAVE CONTRIBUTED TO THIS SUCCESS STORY. THE REBUILDING OF THE AIR TRAFFIC CONTROLLER WORKFORCE HAS VIRTUALLY BEEN COMPLETED, AND THE SECRETARY HAS REPEATEDLY TOLD ADMIRAL ENGEN HE WILL GET AS MANY ADDITIONAL CONTROLLERS AS HE BELIEVES HE NEEDS.

OUR INSPECTOR WORKFORCE IS AT AN ALL TIME HIGH, AND THE INSPECTION PROCEDURES HAVE BEEN COMPLETELY REVAMPED. MAJOR PASSENGER SAFETY

AND SECURITY RULEMAKINGS HAVE BEEN VIGOROUSLY PURSUED, WITH FINAL RULES PROMULGATED OVER THE LAST TWO YEARS ON FLAMMABILITY CRITERIA FOR AIRCRAFT CABIN INTERIORS; SMOKE DETECTORS IN LAVATORIES; CHILD SAFETY SEAT STANDARDS; FIRE PROTECTION REQUIREMENTS FOR BAGGAGE COMPARTMENTS; MEDICAL EQUIPMENT TO BE CARRIED ON BOARD; IMPROVED GROUND AND AIR SECURITY CREW TRAINING; TOUGHER SCREENING FOR BOTH CARRY-ON AND CHECKED BAGGAGE ON INTERNATIONAL FLIGHTS; AND STRONGER RULES TO PROHIBIT AND DETECT ALCOHOL OR DRUG USE BY CREW MEMBERS. AS THE SECRETARY ANNOUNCED LAST MONTH, WE INTEND TO ISSUE NEW RULES REQUIRING RANDOM DRUG TESTING FOR THOSE IN SENSITIVE SAFETY AND SECURITY POSITIONS IN ALL TRANSPORTATION INDUSTRIES. WE ARE ALSO WORKING VIGOROUSLY ON NEW RULES GOVERNING GENERAL AVIATION TRAFFIC IN CONGESTED AREAS, AIRBORNE WINDSHEAR WARNING DEVICES AND THE COLLISION AVOIDANCE SYSTEM KNOWN AS TCAS.

OUR NATIONAL CHALLENGE WITH RESPECT TO AVIATION IS TO CONTINUE TO KEEP PACE WITHIN THE GOVERNMENT WITH THE DYNAMIC GROWTH OF THE PRIVATE SECTOR. TO DO THIS, THE REAGAN ADMINISTRATION PROPOSAL PROVIDES FOR STEADY INCREASES IN THE LEVELS OF AIR TRAFFIC CONTROLLERS AND SAFETY INSPECTORS, AS WELL AS FOR THE EXPENDITURES NEEDED FOR THE NATIONAL AIRSPACE SYSTEM (NAS) PLAN.

AS YOU KNOW, THE NAS PLAN WILL INCREASE THE OVERALL RELIABILITY AND CAPACITY OF THE AIR NAVIGATION SYSTEM, AS WELL AS IMPROVE OUR ABILITY TO ADDRESS SPECIFIC PROBLEMS SUCH AS WINDSHEAR DETECTION. WHILE THE NUMBER OF PEOPLE FLYING IS INCREASING DRAMATICALLY, EXISTING AIR TRAFFIC CONTROL EQUIPMENT IS RAPIDLY REACHING

CAPACITY. ALSO, WE STILL HAVE A LOT OF OLD TUBE-TYPE EQUIPMENT IN OPERATION WHICH, UNTIL IT IS REPLACED, REQUIRES EVER HIGHER MAINTENANCE EXPENDITURES. OUR PROPOSAL KEEPS THE NAS PLAN ON TARGET, WITH AN INCREASE IN EXPENDITURES BETWEEN FY 1987 AND 1988 ALONE OF 68 PERCENT, TO \$1.35 BILLION, AND A FURTHER INCREASE TO \$1.5 BILLION IN FY 1989.

WE HAVE MADE SUBSTANTIAL PROGRESS IN MODERNIZING THE AIR TRAFFIC CONTROL SYSTEM AS WE REPLACE OBSOLETE AND OBSOLESCEENT EQUIPMENT. OF THE MORE THAN 90 PROJECTS IN THE NAS PLAN, FIRST DELIVERIES HAVE BEEN MADE IN ABOUT HALF OF THEM (47%) AND 14% ARE COMPLETED. IN THE COMING YEAR, ANOTHER 7% WILL BE COMPLETED AND AN ADDITIONAL 13% BEGUN, FOR A TOTAL OF 81% OF ALL PROJECTS EITHER COMPLETED OR WITH DELIVERIES UNDERWAY.

MORE SPECIFICALLY, IN THE NEXT TWO YEARS, WE PLAN TO AWARD 36 CONTRACTS IN NAS PLAN PROGRAMS. SIMULTANEOUSLY, WE WILL CONTINUE TO INSTALL NEW EQUIPMENT, SUCH AS COMPUTERS, TERMINAL RADAR, AIRPORT SURFACE DETECTION EQUIPMENT, AND COMMUNICATIONS EQUIPMENT IN OVER 750 LOCATIONS. WHILE WE ARE MODERNIZING THE SYSTEM, WE WILL ALSO BE SPENDING MONEY ON MAINTAINING THE LARGE CAPITAL PLANT THAT IS IN PLACE. ONE EXAMPLE, FOR WHICH FUNDS ARE INCLUDED IN THE AUTHORIZATION PROPOSAL, IS THE REHABILITATION OF UNDERGROUND FUEL STORAGE TANKS USED FOR EMERGENCY POWER AT NUMEROUS FAA FACILITIES.

OUR BILL PROPOSES A SIX-PERCENT INCREASE IN RESEARCH AND DEVELOPMENT AUTHORIZATIONS, FROM \$141 MILLION THIS YEAR TO \$150 MILLION IN EACH OF THE NEXT TWO FISCAL YEARS. THE RESEARCH BUDGET INCLUDES FUNDS FOR (1) NAS PLAN IMPLEMENTATION, (2) POST-NAS-PLAN PLANNING FOR USE OF TECHNOLOGIES SUCH AS SATELLITE-BASED COMMUNICATIONS AND NAVIGATION, (3) SUPPORT OF FAA RULEMAKINGS AND SECURITY PROGRAMS, INCLUDING DETECTION OF WEAPONS, EXPLOSIVES, AND FLAMMABLE LIQUIDS, AND (4) BASIC RESEARCH ON NEW TECHNOLOGIES THAT MAY BE USEFUL IN THE AVIATION SECTOR.

AIRPORT CONGESTION AND FLIGHT DELAYS HAVE BECOME A MATTER OF INCREASING CONCERN TO THE DEPARTMENT AS WELL AS THE TRAVELING PUBLIC. THESE PROBLEMS ARE NOT INSOLUBLE. WE HAVE ALREADY TAKEN STEPS TO PROVIDE SOME RELIEF, INCLUDING THE RECENT PARTIAL IMPLEMENTATION OF THE EAST COAST PLAN AND THE REQUEST FOR COMMENTS ON THE PROPOSED SHOW CAUSE ORDER TO PERMIT THE AIRLINES TO SPREAD OUT THEIR SCHEDULES SOMEWHAT AT PEAK TRAFFIC HOURS. TO PROVIDE A MORE LONG-TERM SOLUTION, WE PROPOSE, IN ADDITION TO THE NAS PLAN'S EXPANSION OF CAPACITY OF THE AIR SPACE, THAT THE AIRPORT GRANT PROGRAM BE RESTRUCTURED TO PERMIT MORE EFFICIENT USE OF GRANT FUNDS. BASICALLY, WE WOULD REDUCE PRIMARY AIRPORT ENTITLEMENTS FROM 50 PERCENT OF THE PROGRAM TO 35 PERCENT, AND INCREASE FUNDS FOR CAPACITY ENHANCEMENT. CURRENTLY, FULLY ONE-HALF OF THE \$1 BILLION AUTOMATICALLY GOES "BY ENTITLEMENT" DIRECTLY TO THE APPROXIMATELY 280 PRIMARY AIRPORTS. IF A SPONSOR'S PROJECT IS "ELIGIBLE", THAT IS, IT FALLS WITHIN THE STATUTORY CRITERIA FOR "AIRPORT DEVELOPMENT AND PLANNING", IT GETS FUNDED. IT DOES NOT

MATTER THAT THE FUNDS COULD BE EXPENDED FOR A MUCH BETTER RETURN AT ANOTHER AIRPORT.

BY REDUCING THE FUNDS DISTRIBUTED ON AN ENTITLEMENT BASIS, WE PROPOSE TO CREATE A SUBSTANTIALLY LARGER DISCRETIONARY PROGRAM THAT IS STATUTORILY DIRECTED TO THE TWO MOST IMPORTANT NATIONAL NEEDS WE FACE -- CONGESTION AND SAFETY/SECURITY CONCERNS. I WANT TO EMPHASIZE THAT THE NEW DISCRETIONARY PROGRAM IS ALSO STATUTORILY DIRECTED RIGHT BACK TO PRIMARY AIRPORTS, NOW DUBBED "LARGE COMMERCIAL SERVICE AIRPORTS" IN OUR BILL, ALONG WITH ASSOCIATED RELIEVER AIRPORTS AND THOSE GROWING AIRPORTS THAT WILL ACHIEVE "LARGE COMMERCIAL SERVICE" STATUS WITHIN 2 YEARS. EVEN THE MAJOR AIRPORTS NOT RECEIVING DISCRETIONARY GRANTS WILL BENEFIT SUBSTANTIALLY FROM THE INCREASED EFFICIENCY IN THE WHOLE SYSTEM BY VIRTUE OF BETTER TARGETING OF THESE FUNDS.

NOISE PROJECTS AND RELIEVER PROJECTS ARE STILL BOTH FULLY QUALIFIED TO RECEIVE DISCRETIONARY FUNDING, SO LONG AS THEY MEET CAPACITY OR SAFETY AND SECURITY GOALS.

MOVING TO STATE APPORTIONMENTS, WE PROPOSE TO RECOGNIZE THE DRAMATIC GROWTH IN STATE GOVERNMENT INVOLVEMENT IN AVIATION. THE 13.5 PERCENT OF AIRPORT GRANTS CURRENTLY APPORTIONED TO THE STATES WOULD INCREASE TO 22 PERCENT, INCLUDING FOR THE FIRST TIME A CATEGORY TOTALING 5 PERCENT OF OVERALL GRANT FUNDS, TO BE USED FOR SMALL COMMERCIAL SERVICE AIRPORTS.

INCREASED APPORTIONMENT FUNDING FOR THE STATES WILL ENCOURAGE VOLUNTARY STATE BLOCK GRANT PROGRAMS. SIMPLY PUT, STATES WITH STRONG AVIATION AGENCIES, WHICH WISH TO GUIDE SMALL AIRPORT DEVELOPMENT, WILL BE PERMITTED TO DO SO, RATHER THAN CONTINUING TO RELY ON FAA ADMINISTRATION OF THE SMALL AIRPORT GRANTS ON A PROJECT-BY-PROJECT BASIS.

THE SECOND MAJOR ADVANTAGE OF VOLUNTEERING TO ADMINISTER A SINGLE STATE BLOCK GRANT IS THAT MANY FEWER "FEDERAL STRINGS" WOULD ATTACH TO THE GRANT MONEY. AS A FOUNDATION, WE WOULD PROVIDE THAT THE BLOCK GRANT FUNDS (1) ONLY BE USED FOR "AIRPORT DEVELOPMENT AND PLANNING" AS THEY ARE NOW UNDER A FEDERAL PROJECT GRANT, THAT (2) THE PROJECT ASSURANCE FOR FUNDED AIRPORTS TO BE "AVAILABLE FOR PUBLIC USE ON FAIR AND REASONABLE TERMS AND WITHOUT UNJUST DISCRIMINATION" APPLY IN ALL CASES, AND THAT (3) THE GENERAL FEDERAL FUNDING "MATCH" OF 90-PERCENT APPLY OVERALL TO THE BLOCK GRANT.

WE ARE ALSO PROPOSING THAT ANY AIRPORT WHICH WISHES TO FOREGO FEDERAL GRANTS MAY DO SO AND, IN RETURN, GAIN THE AUTHORITY TO IMPOSE A "PASSENGER FACILITY CHARGE" OR "PFC" ON TRAVELERS WHO USE AIRPORT SERVICES. WE UNDERSTAND THAT THE CONCEPT IS CONTROVERSIAL, AND THAT THE HISTORY OF THE PFC IN THE EARLY 1970'S LED TO THE CURRENT FEDERAL PROHIBITION ON THESE CHARGES. BUT THE IDEA DESERVES A NEW LOOK, PARTICULARLY ON A VOLUNTARY BASIS. AN AIRPORT WHICH CAN "GO IT ALONE" AND WISHES TO SHOULD BE ABLE TO.

THE ONLY LIMITATION ON SUCH PFC'S WOULD BE THAT ALL PROCEEDS BE EXPENDED FOR AIRPORT-RELATED PURPOSES. WHILE EXISTING FEDERAL REQUIREMENTS ASSOCIATED WITH PAST GRANTS WOULD REMAIN IN PLACE, NO NEW FEDERAL REQUIREMENTS WOULD BE IMPOSED AT THIS TIME.

THE LEGISLATION AUTHORIZES APPROPRIATIONS FROM THE AIRPORT AND AIRWAY TRUST FUND FOR FAA OPERATIONS UP TO A LEVEL THAT ACHIEVES AN OVERALL 85 PERCENT RECOVERY OF FAA EXPENDITURES FROM THE TRUST FUND. IT REMAINS THE CASE THAT ONLY ABOUT 15 PERCENT OF FAA SERVICES ARE PROVIDED TO PUBLIC AND MILITARY AIRCRAFT OPERATIONS. OTHER USERS CAN AND SHOULD PAY THEIR SHARE OF COSTS FOR OPERATING AND MAINTAINING THE SYSTEM. ACCORDINGLY, THE BALANCE OF FUNDING SHOULD COME FROM THE USER FEES DEPOSITED IN THE TRUST FUND FOR THIS PURPOSE.

THE CURRENT BALANCE IN THE TRUST FUND EXISTS BECAUSE OF TWO FACTORS: FIRST, AN UNJUSTIFIABLY LOW PROPORTION OF THE FAA'S OPERATIONAL EXPENSES HAVE BEEN AUTHORIZED FROM THE TRUST FUND IN THE PAST. I DO NOT PROPOSE TO REARGUE THE EQUITIES OF THE TRUST FUND SHARE ENACTED IN 1982, BUT I DO STRONGLY ASSERT THE EQUITY OF HAVING THE AVIATION USER FULLY FUND 85% OF THE FAA FROM NOW ON.

SECOND, OVER THE LAST SIX YEARS THE CONGRESS HAS APPROPRIATED \$943 MILLION LESS THAN THE REAGAN ADMINISTRATION REQUESTED FOR THE NAS PLAN. IT IS TIME TO CORRECT BOTH OF THOSE MISTAKES.

TO CONCLUDE, I WOULD LIKE TO POINT OUT WHY WE THINK A TWO-YEAR BILL WOULD BE WISE. GIVEN THE RAPID CHANGE AVIATION IS EXPERIENCING, A TWO-YEAR AUTHORIZATION WILL PROVIDE AN EARLIER OPPORTUNITY TO REASSESS AND ALTER COURSE AS NECESSARY. THE FINAL BYRD COMMISSION REPORT, DUE IN ABOUT 18 MONTHS, SHOULD BE A MAJOR BASIS FOR THAT REASSESSMENT.

THIS COMPLETES MY PREPARED STATEMENT. ADMINISTRATOR ENGEN AND I WOULD BE PLEASED TO RESPOND TO ANY QUESTIONS YOU OR THE SUBCOMMITTEE MEMBERS MAY HAVE.