

STATEMENT OF THE HONORABLE BARRY LAMBERT HARRIS, ACTING ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION, BEFORE THE SENATE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION, SUBCOMMITTEE ON AVIATION, CONCERNING THE FAA'S REAUTHORIZATION PROPOSAL. MAY 5, 1992.

Mr. Chairman and Members of the Subcommittee:

I welcome the opportunity to appear before the Subcommittee today to describe for you our legislative proposal for the reauthorization of the FAA's programs, which is now before you.

The Administration is currently developing a position on the various elements of S. 2642, which is now pending before the Subcommittee. We will provide that response to you shortly. We support a number of elements of the bill such as the three year authorization cycle and the inclusion of needed procurement authority. The Facilities and Equipment authorization levels would be consistent with our request if an additional \$100 million were made available in FY 94 to cover a possible expansion beyond 23 area control facilities. An initial review of S. 2642 does disclose some areas of concern to us that will be addressed in more detail following additional Administration review. Examples of new subjects to be addressed are the establishment of statutory tenure for the FAA Administrator and the mandate of "an Emergency Commission on Airline Consumer Protection and Competition." Also, we are concerned that S. 2642 directs hiring of aviation safety

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inspectors and does not adopt important aspects of the Administration's proposal, such as airport grant levels consistent with the President's budget or authority for FAA to hire retired military controllers for low activity air traffic facilities.

Members of this Subcommittee are well aware of the pressing capacity needs of our airport and airways system--needs which must be addressed today, if we are to achieve the efficiencies in our air transportation system that are needed for tomorrow. As envisioned in the National Transportation Policy, the reauthorization proposal that we have transmitted to the Congress provides the funding authority for a strong Federal presence in advancing the capital development and improvement of our current system. It paves the way for future technological change with research and development funding that adds impetus to and builds on current programs.

We are proposing, in our three year reauthorization request, Airport Improvement Program levels totalling \$5.7 billion; Capital Improvement Program levels of \$8.4 billion, supplemented by a contingency authorization if more than 23 area control facilities are determined to be necessary; and Research, Engineering, and Development levels of \$761 million. The funding we seek for these critical programs will permit us to continue aggressively working to address safety and capacity needs throughout the system. It is important that we have a solid, three year planning horizon so that we can most effectively allocate resources. These FAA

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capital programs will be buttressed by up to an additional \$1 billion each year in Passenger Facility Charges. The Research, Engineering, and Development funding we seek for next fiscal year has increased by \$12 million over the current year, and, under our proposal, will increase by 10% in each of the two succeeding years.

We are also requesting that 85% of the FAA's total budget be funded from the Airport and Airway Trust Fund, relieving the burden on the general taxpayer of charges that are directly attributable to services provided aviation users. Our analyses indicate that less than 15% of the costs of the FAA are attributable to the public sector, including the military, and it is our view that the remainder of the cost of the agency's services should be borne by those who most directly benefit from those services.

The funding approach we have recommended in our legislation will contribute to our efforts to draw down the uncommitted balance in the Airport and Airway Trust Fund. Over the life of the bill, expenditures under our proposal will exceed user revenues, reducing the uncommitted Trust Fund balance by about one-half over the three years of the program.

We are also proposing several structural improvements in FAA programs and authorities. In the Airport Improvement Program, we

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are proposing that airport entitlement funds be available for the first time for projects, or portions of such projects, that are determined to directly improve the access of passengers and freight to airports, even if they are not located on the airport proper. This intermodal approach, consistent with the National Transportation Policy, will improve the efficiency of airport operations and contribute needed improvements in ground-side capacity. Passenger Facility Charges and discretionary funds would not be authorized for this purpose.

We are also recommending that the current noise set-aside of 10% be increased to 12.5%, with the increase made available on a priority basis to primary airports and contiguous political jurisdictions that have adopted compatible land use control measures. This will reward those who have chosen to make airports better neighbors, and will stimulate efforts in other communities to take needed steps to promote compatible land use policies.

In order to promote aviation-related planning as part of a broader metropolitan planning scheme in communities with a population in excess of one million persons, our proposal calls upon airports to make available not less than one-half of one percent of entitlement funds, up to a maximum requirement of \$100,000, to support aviation-related planning activities of metropolitan planning organizations.

Additionally, we are seeking to expand upon the success of the military airport program, first authorized in the last

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reauthorization act, by increasing from 8 to 25 the number of current or former military airports eligible to participate. This expansion will help ensure that the added civil aviation capacity made possible by military downsizing and base closures can be attained, and will offer communities around the Nation an opportunity to achieve the important economic foothold a thriving airport brings with it. Funding for this program would increase to 2% from the current 1.5% of available AIP funding. In addition, limited amounts would be authorized for construction, improvement, or repair of surface parking lots, fuel farms, and utilities to facilitate the transition of these military facilities to functional civil airports.

We are also asking that Congress expand the State Block Grant Program. Our proposal would permit any State to administer general aviation airport improvement projects, provided the State demonstrates the capability to do so. Before granting approval to a State, we must determine that the State has an agency or organization capable of effectively administering block grants. We must also determine that a State's planning processes ensure that critical safety and security needs will be met, and that the needs of the national airport system will be addressed in the funding of projects. Before a State may receive approval to assume grant responsibility for reliever and small commercial airports, it must first demonstrate to us the successful management of general aviation grants for one year.

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The final major change to the Airport Improvement Program would permit the FAA to participate in funding 50% of the increase in the cost of land acquisition at a non-primary airport, if the increased cost is based on a credible appraisal or a court award in a condemnation proceeding.

Our reauthorization proposal seeks an important change in our procurement capabilities, to provide the FAA the authority to limit competition if and when unique supplies or services are available from only a limited number of sources. This authority would be used sparingly and only when there is a clearly limited number of qualified suppliers capable of providing complex equipment.

The Integrated Communications Switching System (ICSS) and Instrument Landing System program serve as examples of procurements in which there existed a limited group of suppliers. Use of the proposed authority would have accelerated our efforts and reduced costs. This requested authority would have allowed the FAA to limit competition to qualified suppliers prior to releasing the solicitation, saving time and expense by avoiding unnecessary evaluations. We estimate that four to five months could have been saved on the ICSS procurement program. The authority we seek is comparable to that already enjoyed and used successfully by the DOD, NASA, and the Coast Guard.

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Another procurement authority we are requesting is intended to facilitate our contract tower program efforts. Our proposal seeks clear authority for the FAA to enter into sole source contracts with States and local political subdivisions to operate Level 1 VFR towers. Contracting parties would be required to comply with all applicable safety regulations in the operation of a facility and with applicable competition requirements in any subcontracting.

Last year, we received approval of the Appropriations Committee to clarify the FAA's authority to provide reimbursement, at its discretion, for the security training of non-federal domestic and foreign security personnel. At that time, we indicated we would seek permanent authority for this important program through an amendment to the Federal Aviation Act of 1958. Our reauthorization proposal contains that needed amendment.

We have several other proposed amendments to the Federal Aviation Act of 1958. One change would authorize the FAA to retain fees received from overseas certification work associated with airmen and repair stations. We also propose to extend the aviation insurance program for 10 years. We are seeking a legislative change to provide for notice to the FAA of proposed sanitary landfills, in order to help protect aircraft from the threat of bird strikes near airports. Further, we would like authority to provide for FAA safety certification of airports receiving scheduled service by aircraft with ten or more passenger seats, contrasted with the current requirement associated with aircraft

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of more than 30 passenger seats. Additionally, we are asking that the civil penalty assessment program be made permanent, that the current \$50,000 cap on cases under the program be removed, that the FAA have a right to appeal NTSB decisions to the courts of appeal, and that deference be granted by the NTSB and the courts of appeal to the FAA's interpretations of its regulations and statutes.

We also are proposing a new initiative, entitled the "Military Controllers Transition Act of 1992", that serves a dual purpose. We are seeking, in a time of military downsizing, to offer an opportunity for retired military controllers to continue to serve their country, applying in the civil sector the air traffic control skills they have achieved in military service. The FAA would be authorized to offer appointments in the excepted service to retired military controllers to serve at auxiliary Flight Service Stations or in designated Level 1 or 2 air traffic control towers. Controllers hired under this unique program could not compete with others for entry into the competitive air traffic control service, and would afford the FAA greater flexibility in offering career advancement opportunities at higher level air traffic facilities for its current air traffic controllers. This is an important objective of the agency.

In brief, our legislative proposal is designed to meet both short- and long-term objectives of the agency. It builds on the foundation of the many improvements already underway in our air transportation system. It provides the FAA with needed authority

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and flexibility to better perform its critical safety and operational activities. We expect the Subcommittee will want to expedite the enactment of this important legislation, and we offer you our full assistance and cooperation in your efforts to do so.

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