

STATEMENT OF THE HONORABLE MORTIMER L. DOWNEY, DEPUTY
SECRETARY OF TRANSPORTATION, BEFORE THE HOUSE COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION, SUBCOMMITTEE ON AVIATION,
CONCERNING THE FEDERAL AVIATION ADMINISTRATION'S
OPERATIONS ACCOUNT. JUNE 30, 1993.

Mr. Chairman and Members of the Subcommittee:

I welcome the opportunity to appear before the
Subcommittee today concerning the budget for FAA's
Operations account. Accompanying me is Joe Del Balzo,
Acting FAA Administrator.

As a backdrop for this discussion it is important to note
that achieving the goal of a hard freeze on discretionary
spending, as set forth in the Congressional Budget
Resolution, requires that both Congress and the
Administration accept the fact that all programs will face
severe budget constraints. Operational programs like
FAA's are of special concern because of their high outlay
rate and the fact that they are driven toward growth by
factors beyond our control. In addition, efforts to
support the President's investment initiatives will
require reductions in the base to make room within the
caps. As a measure of this challenge, the Congressional
Budget Resolution calls for reductions of \$5 billion in
outlays from the President's FY 1994 Budget and \$14
billion in outlays from the Administration's budget plan
for FY 1995.

in the demand for FAA services and FAA's management is working on cost savings to offset most increases.

Components of Budget

Slightly more than three-quarters of the Operations appropriation supports FAA payroll costs, while most of the remainder goes for rent, contracts, communications, and utilities and other operational costs.

This year's Operations request has been carefully constrained. It reflects the Administration's commitment to bringing our Nation's deficit under control. It represents the kinds of tough choices we must make if we are to succeed in that effort. But it also reflects our judgment of the safety and efficiency needs of our air transportation system. We believe that the funding level we have sought will provide us the ability to meet those needs. The safety of our air travelers must be and has been the foremost consideration in our development of this proposal, and the Administration's commitment to aviation safety will not change.

The total staffing for the FAA supported by the President's requested funding level in FY 1994 is 48,922 FTEs. This overall staffing level reflects targeted workforce reductions as part of the President's objective

the safety of our Nation's air passengers will remain our highest priority. In the spirit of "reinventing government" the FAA is aggressively working to find additional ways to achieve productivity and safety improvements at less cost.

For example, closing low activity VFR control towers which do not meet FAA's criteria for continued operation would provide significant savings, as would contracting out operation of those low level towers that do meet operational criteria. FAA currently operates about 400 air traffic control towers, of which about 100 are Level I VFR towers. We also need to look at FAA-provided services, like the Direct User Access Terminal System (DUATS), which can be provided commercially or which we should charge for.

We also must look at operating and staffing costs, including revisiting FAA's staffing standards and permanent change-of-station policies. We need to reexamine FAA's overall pay and benefits policies, like the pay demonstration program, which might have outlived their usefulness or not be cost-effective. And, of course, we need to exercise continued prudence about travel, office equipment and support costs.

That completes my prepared statement. Mr. Del Balzo and I would be pleased to respond to any questions you may have at this time.