

STATEMENT OF THE HONORABLE DAVID R. HINSON, FEDERAL AVIATION ADMINISTRATOR, BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, SUBCOMMITTEE ON AVIATION, CONCERNING THE STATUS OF THE AAS PROGRAM. APRIL 13, 1994.

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear before you today to bring you up to date on the status of my efforts to shape the Advanced Automation System (AAS) program in a way that meets the critical needs of our air transportation system and ensures that the taxpayers receive value for their investment. I have already made several basic changes to the AAS structure, and I am committed to making any other changes necessary to get this program on track. At the outset, though, I would like to emphasize that, even with the problems we have seen with the AAS program, our air traffic control system continues to afford the Nation's air travelers the safest air transportation in the world.

This Subcommittee is well aware of the troubled history of the AAS program, which was conceived more than a decade ago as a way of meeting projected demands on our aging air traffic control system. Employing state-of-the-art technology and using automation to perform many air traffic control-related tasks, AAS is intended to accommodate increased air traffic in a more cost-beneficial way and to provide greater efficiencies and safety in our air transportation system. The underlying need for air traffic control modernization has not changed.

When I came to the FAA, I knew that a big part of my job was to understand what was really occurring with AAS, and to see that the program was brought under control. I began my review of the AAS program very shortly after taking office. I learned within a few months that the cost projections for this program, which were presented to you in late

1992, were flawed, and that there was a likely corresponding schedule impact. I notified you and other Congressional committees of that finding, and outlined for you a series of steps I was immediately taking to bring the program under control.

I am dissatisfied with the execution of this program to date. However, I am less interested in affixing blame for past poor showings than I am with shaping and managing a program that will accomplish what we need, and do so in a timely and fiscally responsible way. Last December, I described for you the plan for doing just that. Let me take a few moments to outline for you where we stand in this effort.

My first action was to charter a 45-day review of the financial and schedule status of the AAS program under the direction of the Deputy Administrator and Chief Counsel, to identify further risks to program completion and cost. That intensive review is complete. In brief, the review shows the potential for both additional cost increases and program slippage. It reflects a range of costs from \$6.5 billion to \$7.3 billion for completion of the program, and slippage of implementation dates for the Initial Sector Suite System portion of the program by 9 to 31 months. A particular area of risk identified in the report was to compress testing while simultaneously developing critical functions for AAS.

The critical analysis performed by this group points out that the AAS program, if unchanged, would pose uncertain cost and schedule increases that are unacceptable. This conclusion reinforces the criticality of work efforts now underway: an assessment of technical and managerial issues of AAS by the Center for Naval Analysis (CNA) and an AAS Requirements Revalidation Group comprised primarily of in-house technical staff.

I tasked CNA with conducting an independent 90-day review to assess the organizational, management, and financial concerns associated with the AAS program. As part of this

process, CNA will provide me with recommendations on realistic solutions to the problems that have previously plagued this program. I wanted that unvarnished look from an outside group with experience in large-scale software development systems to provide me with options for the future direction of our automation efforts. Although they recently updated me on their efforts, their report is not yet finalized. I can assure you they are deeply involved in their review of the program, and that their recommendations will be important to me in this process.

On a separate track, I chartered a group within the FAA, which includes representatives from DOT, DOD, and CNA, to examine the appropriate operational requirements for AAS, and to scrutinize the previously-established system requirements for current validity. Every aspect of the AAS program is on the table in this review. They are looking, for example, to determine if there is a demonstrable need for the extremely stringent specifications for system availability that were previously set, given technology advances in the last decade, and whether each program segment of AAS is justified. Their review is also focusing on determining the benefits provided by particular AAS requirements, as a means of validating their continued need.

Later this month, I expect final reports from both CNA and the revalidation team. The data they are providing, along with the information developed in the 45-day review, is being integrated and analyzed by a top-level Program Restructuring team under the direction of the new AAS program director. The team is examining all options for program restructuring, and is focusing on both short-term and long-term deficiencies with the air traffic control system. The team is assessing, for example, how best to address short-term problems caused by our rapidly aging automation equipment; determining whether currently planned TAAS and TCCC systems are still needed, or whether FAA's terminal and tower automation needs can be satisfied by existing, commercially available

systems; and whether it still makes sense to deliver an ISSS that will be supplanted by ACCC, or whether current technology permits delivery of combined ISSS/ACCC functions. The Program Restructuring team will be guided by several fundamental principles. First, any proposed system changes must be determined to yield operational benefits in excess of their cost. Second, to the extent feasible, high risk activities will be minimized, and use of available, off-the-shelf technology will be a preferred option. Third, we must be able to afford the program changes. Fourth, realistic funding and implementation schedules must be established, and timely implementation of elements of the system that provide high user benefits is favored. The team will provide me with recommendations and options for a reshaping of the program.

My current plans are to make the immediate decisions required to proceed with the program, by the end of May, in cooperation with the Department and OMB. Along the way, as discrete decisions are made on components of the overall program, we will act quickly to effectuate those necessary contract changes. I am, of course, anxious to put in place the right approach and recognize the difficulties of contract administration until we do so, but, in view of the history of this program, I am insisting within the agency that we take the time necessary to ensure that we are doing the right thing in the right way.

I have also taken a number of management steps within the agency to improve the execution of this program. I have changed the AAS program management team, and designated a new program director. We have increased our on site presence and oversight of the contractor's efforts. Immediately after the 45-day review identified the ACCC as the segment of the AAS program having the greatest potential for additional cost growth, we suspended funding for work on the ACCC. We have instituted a number of steps to more tightly control contract cost and schedule. We have also acted to further concentrate senior management attention on the program through frequent status reviews

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of the program by the Deputy Administrator and me, and through closer integration among senior-level operating officials within the agency on reviewing requirements change proposals to ensure their necessity and cost-effectiveness.

Before closing, Mr. Chairman, I would like to stress that the automation of our air traffic facilities is a top agency priority. I am committed to seeing that we define a workable program, delete unnecessary and unduly costly features, and establish an implementation and funding schedule that we can meet. It is a difficult challenge, given the complexity and enormity of the program, but one that we must meet. I am confident that the steps I have taken to address the programmatic and funding issues will provide me the right kind of data to make the right choices. We will act as expeditiously as we can, and we will keep you and your staff informed of our efforts along the way. I know we all share the common goal of bringing about the critically needed improvements in our air traffic control system, and I appreciate very much the support this Subcommittee has provided the FAA in this effort.

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