

STATEMENT OF THE HONORABLE DAVID R. HINSON, FEDERAL AVIATION ADMINISTRATOR, BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS, SUBCOMMITTEE ON TRANSPORTATION, CONCERNING THE FEDERAL AVIATION ADMINISTRATION'S FISCAL YEAR 1997 BUDGET REQUEST. APRIL 16, 1996.

Mr. Chairman and Members of the Subcommittee:

I welcome the opportunity to appear before you today on the FAA's budget request of \$8.25 billion for Fiscal Year 1997. Our proposal reflects the constrained budget environment in which we find ourselves as we proceed towards a balanced Federal budget. Importantly, though, this budget request fulfills the Administration's commitment to meeting the safety and operational needs of our air transportation system. Specifically, we are increasing staffing in several critical safety areas: 258 additional aviation safety and certification inspectors, 134 additional field maintenance technicians, and a net increase of 250 air traffic controllers to meet the increasing demands placed on the FAA by a dynamic, growing industry.

The FAA, with the support of this Subcommittee, has accomplished much this past year in which we can all take pride. We have continued to make important strides towards realizing the full promise of GPS, and the recent Presidential decision on GPS for civil application validates the work we have

underway on the Wide Area Augmentation System, or WAAS. Following several small aircraft accidents in 1994, which began an erosion of public confidence in commuter air carriers, we set out to achieve "one level of safety" for air carrier passengers, whether they flew on Part 121 or Part 135 airlines. That extraordinary regulatory effort was completed by the FAA in record time, with final rules promulgated last December. We also upgraded airline pilot training requirements at that time.

We have also made continued progress toward implementing Free Flight, an innovative plan designed to improve the safety and efficiency of the nation's airspace system by allowing pilots, under certain circumstances, to choose their own routes and file the most efficient and economical flight plans. The FAA and the aviation community will work together to phase in Free Flight over the next 10 years.

We initiated a new approach to aviation safety--setting an ultimate goal of zero accidents--and brought together over 1,000 aviation executives to work with us to identify steps that we and industry in partnership could take to help us achieve our zero accident objective. Consensus was reached that

improved data collection and sharing is key to that effort, and we and the aviation community are aggressively working to establish the appropriate framework needed to obtain and disseminate safety information.

We have also initiated CHALLENGE 2000 - a comprehensive review of the FAA's regulation and certification capabilities. This review is essential to determine what the FAA will need to do to overcome the increasing challenges of regulating the aviation industry and certifying rapidly changing technologies as America enters the 21st century.

This past year, much media attention was focused on a series of service interruptions we experienced at air traffic facilities. To address these service interruptions, we took steps to hire additional maintenance personnel and to upgrade the equipment at affected facilities as an interim measure pending the completion of the redirected and successful advanced automation system effort that is underway. These service interruptions underscored both the significant public focus that is placed on maintaining a safe and efficient air transportation system and the need to press forward with system modernization. But the intense focus on problems we were experiencing

helped mask some of the very good news that was happening. Specifically, throughout 1995, on any average workday FAA commissioned 5 to 6 new systems throughout the U.S., moving us further along in our long-standing efforts to modernize the air traffic control system. The Display Channel Complex Replacement (DCCR) is well ahead of schedule. We will begin installing this equipment at the Chicago Center in Aurora this June, 10 months ahead of schedule. Furthermore, our long-term computer modernization efforts for our air traffic control centers, Display System Replacement (DSR), is on-time and on-budget.

During the past year we have experienced several challenges to civil aviation security including potential terrorist plots uncovered by Philippine authorities and a threat by the so-called "Unabomber" to blow up an airliner coming out of Los Angeles. We have put additional measures in place to prevent or deter potential criminal or terrorist acts against the U.S. transportation system.

We have similarly made progress in virtually all FAA program areas. And we have done this while continuing to streamline and downsize. Since 1993, we have reduced FAA's workforce by ten percent or nearly 5,100 people. We

have also continued to move to put the FAA on a more business-like footing, through organizational refinements and improved strategic planning and goal setting, to help us achieve greater efficiencies and be more effective in performing our vital functions in behalf of the traveling public. Those efforts will continue.

The contributions of this Subcommittee in enacting the significant personnel and acquisitions reform provisions in the FY 1996 Appropriations Act will be instrumental in helping us do our job better. We recognize that the authority the Congress has given us to shape FAA-specific personnel and acquisitions systems is virtually unprecedented, and throughout the process of developing the new systems we have been mindful of this unique opportunity.

The new personnel system gives us needed flexibility in meeting the dynamic staffing needs associated with a complex technical workforce that must keep pace with a constantly changing industry. The new system has incorporated 100 percent of the personnel reform recommendations proposed by the Vice President in the National Performance Review back in 1993. Using this new authority, we have already acted to make expedited appointments in several

key executive level positions and are able to provide special pay incentives for controller and maintenance personnel at several critical FAA air traffic facilities. We are able to fund these incentives because of savings we are able to incur in overtime and pay differentials.

The goal for our new acquisitions system is for us to bring new systems on line in half the time we have previously experienced assuming that funds are available. We expect to reach this goal of reducing acquisition time by 50 percent within the next three years. Being able to achieve this time savings is an important benefit. It will make available the sought-after safety and efficiency benefits of new technology that much sooner. Equally important, in an era of rapidly changing technology, it means that our equipment when fielded will more nearly reflect state-of-the-art technology. We are already incorporating all aspects of the new acquisition system immediately in several current procurements that will lead the way to reform.

We are hopeful that our new personnel and acquisitions systems will serve as a model for the rest of government, showing how thousands of pages of statutory and regulatory dictates can be reduced to short, simple common-

sense documents, while continuing to preserve important principles such as appropriate competition in our contracting activities and merit selections in our personnel programs. One example of what we are already able to do is the elimination of over 155,000 position descriptions that are being replaced by only 2,000 such documents.

While the personnel and acquisitions reform you have made available to us will, over time, help us find greater efficiencies, it is not a panacea for addressing FAA's long-term resource needs. Under virtually any budget scenario, the overall effort to achieve a balanced budget can be expected to severely limit the Congress' ability to fund FAA programs, because of the extremely tight domestic discretionary caps. This is why we have been actively working to achieve financial reform for the FAA. We would urge that the Subcommittee approve our request for \$150 million in new user fees, and that, for the longer-term, the Members of the Subcommittee assist us in our efforts to obtain meaningful financial reform for the FAA. Given the importance of the FAA's work to the safety of the traveling public, as well as to supporting an industry that contributes significantly to our Nation's economic well-being, it is critical that the FAA's resource requirements be



accommodated into the future. In our view, financial reform is the only assured way of doing that.

I would like to take this opportunity to address a concern I often hear concerning accountability and management within the agency. The Secretary and I continue to share a determination to face up to tough problems and take decisive action. In many of the areas I discussed today we have faced up to long-standing problems and put in place real solutions. The Secretary and I have also selected seven outstanding individuals with superior credentials and impeccable ethical standards to manage our seven lines of business. They are with me here today. These dedicated professionals work with me daily to ensure that we are providing needed safety and services at the lowest possible cost to the American taxpayer. I hold each of these individuals accountable for the proper management of all activities and resources within their line of business. You can be assured that reports or allegations that FAA management is weak or nonresponsive, or that individuals are not held accountable for their actions are simply wrong.

In closing, Mr. Chairman, we would like to thank you and the Members of the Subcommittee for the support you have provided for the FAA, and to assure you of our willingness to work closely with you in this very demanding budgetary climate.

That completes my prepared statement. We would be pleased to respond to any questions you may have at this time.