

STATEMENT OF THE HONORABLE DAVID R. HINSON, FEDERAL AVIATION ADMINISTRATOR, BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON AVIATION, CONCERNING THE FAA'S SURVEILLANCE AND INSPECTION PROGRAM. JUNE 25, 1996.

Mr. Chairman and Members of the Subcommittee:

We welcome the opportunity to appear before the Subcommittee today to discuss the FAA's surveillance and inspection programs, although we are deeply saddened by the tragic ValuJet accident of May 11 that has provided the impetus for this hearing. With me is Tony Broderick, Associate Administrator for Regulation and Certification.

As Chairman Shuster and Chairman Duncan have noted on several recent occasions, the United States air transportation safety record is second to none. We operate the busiest and safest system in the entire world, and we can all take pride in that accomplishment. But, as the recent accident so graphically demonstrates, none of us can ever afford to take that safety for granted. Because of the serious nature of our work, we in the FAA recognize as well as anyone that safety statistics offer no comfort to those who have lost loved ones in an accident. They rightfully want an explanation of what went wrong and how such a tragedy can be prevented from ever happening again. We share those objectives. Any airline accident represents a failure in the system that must be a source of concern to us all.

Our efforts at the FAA began three and half years ago with the serious challenges facing the agency at that time. Technology used by air traffic controllers was out-of-date and planned replacements were behind schedule and over budget. Since day one, the Secretary and I have changed the FAA's way of doing business, in many cases working with you in Congress to make the fundamental reforms necessary to prepare the agency for the future.

In a few moments, I will describe some of the steps we have taken to improve our surveillance and inspections programs based on lessons we have learned from our surveillance activities of ValuJet, which, as you know, led recently to the voluntary suspension of airline operations on June 17. First, though, I would like to briefly highlight the nature and extent of surveillance we performed of ValuJet. Let me stress that we have no indication or reason to believe that there is any relationship between the recent ValuJet accident and the aviation safety surveillance programs I will discuss. In fact, information developed so far would suggest otherwise.

ValuJet commenced operating as an airline in October 1993. When initially certificated by the FAA for airline operations, the airline had 2 DC-9's in its fleet. The carrier grew rapidly--in fact, more rapidly than any other passenger carrier of which I know--increasing its fleet of aircraft to 52 by late winter of this year. I would add that the fleet was comprised almost wholly of DC-9's, which, in view of their age and associated FAA regulatory requirements, typically require a greater degree of maintenance than newer aircraft. In order to perform the maintenance activities necessary, ValuJet contracted with a series of widely dispersed repair stations, which is typically referred to as "outsourcing" its maintenance. Over time, the airline's organizational capabilities appear to have become outstripped by the logistical difficulties of assuring the quality of maintenance work performed on its behalf at so many facilities by so many vendors, and the airline began to experience difficulties in meeting consistently or fully the many, strict regulatory requirements required by their operating certificate.

In October 1994, FAA regional inspectors conducted a Regional Aviation Safety Inspection Program (RASIP) inspection of ValuJet. There were a total of 32 findings, the majority of which focused on pilot training and manuals, with only a few findings related

to maintenance. Two findings resulted in enforcement activity. One related to the lack of records on pilots who failed proficiency checks and had to be re-tested. The other involved an improperly deferred testing procedure necessary to isolate an internal hydraulic leak. All but one of the 32 findings was closed by January 31, 1995. The last finding was closed on February 27, 1995.

In July 1995, ValuJet bid on a government contract with DOD and underwent a DOD inspection. DOD found that they did not have all the procedures in place that the DOD required, including a fully developed Internal Audit Program. The carrier made the necessary adjustments, and, in a January 1996 inspection, was found to be satisfactory and certified as an approved carrier by DOD in February.

In September 1995, after the August DOD inspection, ValuJet underwent an FAA National Aviation System Inspection Program (NASIP) inspection by a team of FAA inspectors from outside the region. This inspection noted a number of operations and maintenance issues, but resulted in only one violation relating to manual errors and a Letter of Warning to the airline for not having a current copy of an employee's pilot certificate.

After each of these inspections, the carrier took action to address the problems noted by making numerous changes to its operations or maintenance programs. Over this period of time, many necessary changes were being implemented that were designed to improve the airline's systems and means of doing business. From all indications, the carrier was demonstrating a positive disposition towards compliance with FAA safety regulations and cooperatively working towards the kinds of changes thought to reduce the types of problems being seen.

On February 16, just after DOD certified ValuJet as a DOD-approved carrier, the FAA's Southern Region initiated a 120-day special emphasis review of the airline to begin on February 22. This review was initiated to provide an in-depth look at its operations and maintenance activities. FAA's principal inspectors for ValuJet and their management had developed concern over several recent accidents and incidents, a decrease in the experience level of new hire pilots, unfavorable surveillance reports, and the further addition of aircraft to ValuJet's fleet.

This review process began with an initial, intensified 7-day inspection period to establish a baseline for the overall inspection. At the end of the 7-day period, on February 29, the Atlanta Flight Standards District Office (FSDO) wrote ValuJet expressing concerns about maintenance manuals and procedures, training programs, Minimum Equipment List/deferred maintenance, and the quality of inspections performed. On March 5, ValuJet responded, detailing a series of specific steps it would initiate to correct these deficiencies. The FSDO continued on with the special emphasis review to assess the airline's operations and maintenance activities and, ultimately, to determine the effectiveness of the new measures implemented by the carrier. On May 11, the tragic accident occurred.

Two days after the accident, we initiated an intense 30-day review of the airline to determine whether the earlier corrective steps taken by the airline had proven effective at stemming the deficiencies we had informed them about. In what amounts to probably the most detailed scrutiny we have ever given an airline, approximately 60 FAA inspectors worked around the clock, examining maintenance records for each aircraft in the airline's fleet, performing en route inspections of carrier pilots, observing maintenance work performed on the aircraft, and following up on maintenance work that was to have been

performed. Our safety inspectors performed the equivalent of 4 years of inspection activities in 4 weeks.

On May 24, the Atlanta FSDO wrote ValuJet, outlining initial findings of the follow-up review. Areas highlighted included maintenance program inspection quality, Continuing Analysis and Surveillance and Contractor performance, and maintenance training and experience levels, particularly on the midnight shift in Atlanta. ValuJet responded on May 27, with another action plan to correct these deficiencies. They were to increase supervision, add a coordinator, add training instructors, and add quality inspectors. They amended the plan further the next day, at the Atlanta FSDO's request for additional detail.

Following the compilation of the raw data from the more than 2000 inspections that were conducted during the four-week period after the accident, a team of safety inspectors was convened to examine and analyze this data. Their analysis led our Atlanta FSDO personnel to conclude that the airline's plans for improvement had not achieved that effect. The maintenance management systems were not working as they should. In addition to unrelated and discrete issues being identified, a pattern of violations and problems indicated to our personnel that there were systemic problems in the maintenance area. Our principal inspectors and FSDO management concluded they could no longer have confidence that the airline's maintenance systems could assure the safety and airworthiness of the aircraft they operated.

In circumstances such as this, the FAA can suspend an operator's certificate in one of two ways. The airline was contacted and offered a choice. Either the FAA would act unilaterally to suspend ValuJet's operating certificate or the airline could enter into a

voluntary consent agreement with the FAA to suspend its operations. The carrier entered into a consent agreement, and flights were suspended at the end of that day, June 17.

Under the consent agreement, ValuJet has ceased all revenue operations and will not resume such activities until the airline has demonstrated fully that it is in compliance with the Federal Aviation Regulations. The airline initially cannot resume operations with more than 15 aircraft. We have given no assurance that FAA will approve ValuJet's resumption of service. FAA has agreed that it will not unreasonably withhold approval of the plans presented by the airline. The carrier will also pay the agency a \$2 million remedial payment to offset the added expenditures the FAA has incurred.

We recognize that there are some who feel that our action to ground ValuJet was too harsh. We know that actions such as this affect many employees and air travelers. That is an unfortunate reality with which we must deal.

There are others who believe we should have acted earlier to ground the airline. Our actions were based on one factor -- safety of the traveling public. When our inspector staff had information--not speculation--that allowed them to conclude that we could not have continued confidence in ValuJet's maintenance systems to permit them to fly, they made that recommendation. Had we determined earlier that data available to us appropriately called for this decision, we would have done so then.

I am not going to suggest in any way that there are things we should not have done differently during this process. There are. And I do not intend to be defensive on that point. A safety organization, such as the FAA, cannot and will not improve if it does not build on what it learns from its mistakes. In this case, I think we should have better understood the effects of rapid growth on this airline. It is apparent now that the

extraordinarily rapid growth of this airline created problems that should have been more clearly recognized and dealt with sooner and more aggressively. We also should have better anticipated and addressed proactively the many difficulties that virtually complete outsourcing of its maintenance can present to an airline in meeting its ultimate responsibility to assure the safety of its aircraft.

Let me briefly highlight the actions I have taken based on the lessons we have learned from this experience. We have already announced that the FAA's senior inspectors will require airlines to demonstrate the regulatory compliance of each of their major contract maintenance and training programs.

- Airlines will have to demonstrate that they have the organizational and managerial capacity to oversee any contract maintenance and training programs, and to assure that they are integrated into an effective, comprehensive overall safety assurance program. Specifically, this means the regulatory compliance of each of their major contract maintenance programs at each facility doing substantial heavy maintenance or repairs. FAA inspectors will review the procedures that are used to carry out this work, to assure conformance with the airline's approved maintenance program, and will also review quality assurance oversight being provided by the carrier. We will undertake similar activities at each facility employed by carriers to perform contract training. Further, we will review check airman involvement and on-site oversight being provided by the carriers to ensure that contractors are providing services that comply with the regulatory requirements levied upon the carriers.
- Our principal inspectors will require that airlines list in an airline's operating specifications all contractors performing substantial maintenance and training. Any new contractor will require approval by the principal inspector before it is added to

the operations specifications. Before that approval is granted, the carrier must conduct an audit of the contractor, which can demonstrate to the inspector that the contractor is capable of performing the contracted work in accordance with the carrier's approved programs.

- We will also create new oversight requirements for inspectors who monitor repair stations and training centers. This will include new tasks for our inspectors. For example, our inspectors will now be required not only to check the compliance of repair activities with the regulations governing the repair station, but also to check that the carrier assures that the maintenance and repairs done by the station are in compliance with the airline's maintenance program.
- Finally, I have directed Deputy Administrator Linda Hall Daschle to chair a 90-day review of other concerns, including some outlined in the Challenge 2000 report. This effort will include a review of the Federal Aviation Regulations to determine their applicability and pertinence relative to contract services, staffing standards, workload distribution, and other related issues.

In addition to these steps, I agree with the Secretary that we need to eliminate any public perception that the FAA has a "dual mandate." To ensure that it is clear to everyone that the FAA's top priority is aviation safety and security, I support the Secretary's proposal to amend Title 49 and remove any ambiguity that may exist concerning FAA's safety mission.

In closing, I would remind everyone that the fact that we have the safest air transportation system in the world is not unrelated to the work that FAA has done on a day-in and day-

out basis to promote the public safety over the years. There is no finer safety surveillance or standard setting organization anywhere in the world. But we can improve, and we will. We will continue to press for improvements in surveillance and in all other safety activities.

That completes my prepared statement. I would be pleased to respond to questions you may have.