

**FAA INDEPENDENT ESTABLISHMENT ACT OF
1987: HEARING BEFORE THE SUBCOMMITTEE
ON AVIATION OF THE COMMITTEE ON
COMMERCE,
SCIENCE, AND TRANSPORTATION, UNITED
STATES SENATE, ONE HUNDREDTH CONGRESS,
FIRST SESSION, ON S. 1600; PART 2; PP. 71-121**

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HEARING BEFORE THE SUBCOMMITTEE ON AVIATION OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE ONE HUNDREDTH CONGRESS

SECOND SESSION

ON

S. 1600

TO ENHANCE THE SAFETY OF AIR TRAVEL THROUGH A MORE
EFFECTIVE FEDERAL AVIATION ADMINISTRATION, AND FOR OTHER
PURPOSES

MARCH 23, 1988

PART 2

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FAA INDEPENDENT ESTABLISHMENT ACT OF 1987

WEDNESDAY, MARCH 23, 1988

U.S. SENATE,
SUBCOMMITTEE ON AVIATION,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, D.C.

The committee met, pursuant to notice, at 9:35 a.m., in Room SR-253, Russell Senate Office Building, Hon. Wendell H. Ford presiding. Staff members assigned to this hearing: Steve Palmer, senior professional staff member and Patty Hahn, minority staff counsel.

OPENING STATEMENT BY SENATOR FORD

Senator FORD. I am going to read a brief statement and then yield to my colleague, Senator Stevens, for an opening statement, and then we will have your statement, Jim, and go to questions.

This is our fourth hearing to consider S. 1600, legislation to create an independent Federal Aviation Administration.

To date, we have had strong support from the majority of the witnesses who have appeared before the subcommittee. They have been united in their view that major changes are needed to enable FAA to fulfill its mandate of insuring a safe and efficient air transportation system.

I strongly believe that the options of the structural reform now being considered, our approach of establishing an independent FAA best serves the air traveler and the aviation industry. Just as importantly, perhaps, enactment of S. 1600 is an achievable goal. I believe, in the 100th Congress, as evidenced by the overwhelming number of co-sponsors who have joined me in supporting this bill.

Today we are fortunate to have the Secretary of Transportation to present his views on FAA and the need for structural changes.

Secretary Burnley, in his short tenure, is to be commended for moving the administration away from the knee-jerk reaction against any major changes to the structure of FAA to a position of increasingly openmindedness.

With this willingness for change, Secretary Burnley has convened a departmental task force to examine ways in which FAA can better insure the safety of our aviation system. Co-chaired by FAA Administrator McArator and DOT Assistant Secretary Seymour, this task force has been directed by Secretary Burnley to report back in 45 days on ways to make internal reforms to the FAA.

While I praise Secretary Burnley for this action, I remain committed to the need for this legislation. I say this because there are certain necessary changes which can only be accomplished through enactment of statutory language.

For example, the most critical reform of the FAA is the need to secure continuous dedicated funding. Reliance on the existing annual budget cycle has left the FAA high and dry when it comes to obtaining needed funds for airport development, modernization of air traffic control system, and long-term R&D.

We must find solutions to this and many other problem areas before we can say our efforts to improve the FAA have succeeded.

In this light, let me state that I believe the proposal to establish an independent FAA meets the criteria against which Secretary Burnley believes any change in the FAA structure must be judged.

While our bill does not make those changes in its current form, we can return to August 6, 1987, when I said at that time, introducing S. 1600, that the current bill was only a framework on which we will build our solutions, and that out of a series of hearings I intended, and I quote from that statement, "to bring forth a bill more significantly developed."

We have learned a great deal from our hearings about specific problems facing the FAA, and before proceeding to committee consideration of this bill I can assure you, Mr. Secretary and others, that we plan to take the necessary steps to include vital reforms.

Let me conclude by saying that we welcome Secretary Burnley and look forward to his statement.

I am also pleased that the subcommittee will hear Mr. Crandall, Chairman and CEO of American Airlines; and Mr. Halaby, testifying for a second time on this matter, this time on behalf of a coalition of aviation groups who are striving to develop specific recommendations for needed reform of the FAA budgetary, procurement and personnel process.

So without further statement, Senator Stevens.

OPENING STATEMENT BY SENATOR STEVENS

Senator STEVENS. Thank you very much, Mr. Chairman. I join you in commending the Secretary for his willingness to be flexible on the issues presented by the bills before the committee.

I would hope that you might carry back to the executive branch a request to go further, however. I can conceive a special task force of Baker, Burnley and Baker to look over the basic issue, which is the right of users to have the money they pay into funds for services and protection spent on those things that are necessary to insure their safety, and the convenience and necessity of the functions of government that they support directly, not as taxpayers but as users.

Those are not only aviation. It is also highway and the Postal Service. The three fights we face right now primarily with the administration in the budget process come from the feeling that all funds that come in from such users must be treated as taxpayers' funds.

Now, I think that is basic to what you are doing, Jim, and I think it is reflected in your statement and your adherence to administration policy that these funds are to be treated on budget in any event.

Until we can cross that bridge of treating user charges, taxes or special fees paid by the people who use the airlines or use gas or the sources for this aviation trust and and the similar thing for highways and the Postal Users, the ratepayers who pay it, it is not taxpayers' money.

I think until we cross that bridge, we are going to be fighting. I would urge you to try to get the administration not to shy away from that bridge.

Thank you.

Senator FORD. Thank you, Senator.

Senator Danforth.

Senator DANFORTH. I have no opening statement, Mr. Chairman.

Senator FORD. I am disappointed.

Senator DANFORTH. I will write you a letter.

Senator FORD. That will be fine.

I have a statement that the Chairman would like to have included in the record.

[The statement follows:]

OPENING STATEMENT BY THE CHAIRMAN

I want to commend the Chairman of our Aviation Subcommittee, Senator Ford, for his continued efforts to ensure that the Federal Aviation Administration is capable of providing for a safe and reliable air transportation system.

He has done this by focusing on the long-term structural needs of the FAA—which is needed because of the unique way in which that agency is both manager of the system's resources, as well as the industry regulator. This puts the FAA in an apparent role of conflict -- something which must be carefully examined to ensure that there is no confusion in the priorities of the agency. Safety is, and always will be, the foremost responsibility of the FAA.

By holding these hearings, Senator Ford has initiated a public debate on the question of the FAA and how it best will serve the public. He has focused the attention of DOT, the aviation industry, academia, and Presidential study commissions. And while I am still looking at the effect of his bill to establish an independent FAA, I believe that he has planted the seeds that will result in significant improvements in the FAA and its ability to ensure aviation safety.

Senator FORD. Mr. Secretary, you may proceed, and welcome.

STATEMENT OF HON. JAMES H. BURNLEY, IV, SECRETARY, DEPARTMENT OF TRANSPORTATION

Secretary BURNLEY. Thank you, Mr. Chairman. I will try, if I can, to do a somewhat abbreviated version of my prepared statement. I would ask that you put it in the record in its entirety.

Senator FORD. We will have a vote at about 11:30 a.m., and I hope to get through most of the witnesses by then.

Secretary BURNLEY. I do appreciate this opportunity to be here today to discuss an issue about which we all care deeply; that is, the role of U.S. Government in aviation safety.