

**STATEMENT OF MARION C. BLAKEY  
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BEFORE THE COMMITTEE ON COMMERCE, SCIENCE  
AND TRANSPORTATION  
ON THE STATE OF THE FAA  
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Chairman McCain, Senator Hollings, Members of the Committee, thank you for the opportunity to appear before you today to discuss the state of the Federal Aviation Administration (FAA). Before we begin I would like to acknowledge the new Chairman of the Aviation Subcommittee, Senator Lott, from the great state of Mississippi. I look forward to working with him as well as the other Members of this Committee during my tenure as Administrator. I would also like to take a moment to thank the Members of the Committee for acting so expeditiously to confirm me as Administrator last year. I very much appreciate your vote of confidence and pledge to work hard to meet the demands of this challenging job.

As we are all aware, the FAA's programs will be reauthorized this year, so this hearing is well timed to establish a baseline for that discussion. The Administration is preparing a reauthorization proposal that, I think, will serve as an excellent basis for the development of reauthorization legislation.

As we consider reauthorization, one of the most pressing challenges we face is the dire economic condition of the airline industry. Although several low-fare airlines have remained profitable during this difficult time, two of our major carriers are in bankruptcy and most of the others continue to incur financial losses. This Committee recognized the

importance of this situation by holding your first hearing of the 108<sup>th</sup> Congress on this issue. Your concern supports the fact that the airline industry, as we all know, is critical to the overall economic growth of this country. While FAA has no authority over economic matters, it is critical to the FAA that the desperate economic condition of some airlines in no way be permitted to compromise safety. It should also be noted that the downturn in air travel has decreased the amount of revenue being contributed to the airport/airway trust fund at a time when FAA faces continued demands with respect to both safety and capacity.

First, as always, let me address safety. Under the superb leadership of Secretary Mineta, the Department's emphasis on safety has never been greater. As a modal Administrator within the Department, I consider myself to be, first and foremost, a safety advocate. Last year was one of the safest ever – no accidents of scheduled flights. While that record ended with the tragic accident in Charlotte earlier this year, the accident just served to emphasize that our focus on safety and preventing accidents cannot be affected by balance sheets. I'm sure my friends in the airlines would be the first to agree, cost cutting by the airline industry cannot apply to safety.

I have personally met with the FAA managers overseeing USAirways and United Airlines to satisfy myself that we have appropriately expanded our review of these carriers. The approach we are taking with these carriers is to focus our safety oversight on areas that may be more at risk during a financial crisis. For example, we want to ensure that employee training and internal oversight mechanisms are adequately

supported. Any cuts by the airlines in these areas could signal a fundamental crack in the safety foundation of the airline that would require immediate FAA action. We are prepared to step in on a moment's notice if we have evidence of a deterioration of safety. To date, I am happy to report that we have seen both airlines maintain their commitment to safety analysis and audits even as they reduce other parts of their operation.

With respect to FAA's oversight of the industry as a whole, our challenge is to maximize our inspector workforce to make the most of our resources to ensure that unacceptable compromises are not being made by the airlines. We redirect our surveillance resources to areas of concern that have been identified through an analysis of our inspectors' observations, industry data bases and consideration of the airline's overall financial and management condition. This is a proactive approach to make sure that airlines have safety built into their operating systems and also ensure compliance with safety regulations that will improve upon our excellent safety record.

One of the things about which I feel very strongly, is that meaningful safety improvement will only be attained if we focus our efforts on making FAA a data driven, performance based organization. Our safe system can become even safer if FAA can get in front of accidents by using data to detect problems and disturbing trends. In our system safety approach we are identifying hazards, assessing and analyzing risks, prioritizing actions, and measuring and documenting results. This is a continuous, data driven approach that places an emphasis on information gathering and sharing. We need as much data as possible to make informed decisions, which is why FAA is committed to programs like

the Flight Operational Quality Assurance (FOQA) and Aviation Safety Action Program (ASAP). AIR-21 contained a provision on FOQA that has greatly assisted us in our data collection efforts. Data analysis plays an important part in our Safer Skies initiative, which is all about taking actions that will achieve the greatest benefits in preventing accidents. When we started this initiative several years ago, the goal was to reduce the accident rate by 80% by 2007 and we are on track to do that.

One way we are keeping on track is by establishing agency goals each year that we hold ourselves accountable to meeting. These goals represent the initiatives we at FAA believe will do the most to improve safety, capacity and efficiency. Last year, FAA met nine of the ten goals set. Our on-time flight arrival rates were up. Our equipment-related delays were down. There were fewer accidents and fewer serious runway incursions. The transition of FAA's former security programs to the Transportation Security Administration (TSA) was a smooth one. The one area where FAA failed to meet the goal we set was in the area of operational errors. Even though we were successful in reducing the overall number of errors by 11% last year, we did not reduce the most serious category of errors and that is what we must focus on this year. We hope to do that through increased management attention, improved communications, and additional training. As of February 1, I am happy to report that we have reduced overall errors by 11% and the most serious category of errors by 12%. I am currently working to establish the strategic goals for my term.

Safety is a day in, day out commitment. By setting goals, staying focused and holding ourselves accountable, we will demonstrate our commitment to safety.

I want to note that, with respect to the transition of FAA's former security functions to the TSA, FAA will continue to work closely with TSA even as TSA becomes part of the Department of Homeland Security. Although FAA's role with respect to security has changed, we remain defenders of the Homeland in a very real sense. Security remains a vital component of safety and we will continue to work closely with TSA in this critical area.

While our commitment to safety is extraordinarily important, we must also remain committed to expanding airport capacity. Although the devastating events of September 11<sup>th</sup> continue to impact the number of people flying in this country, recovery of the system is inevitable. The temporary down turn in air travel affords us with a great opportunity to continue to focus on increasing airport capacity without unacceptable disruption to the system. In response to the costly, frustrating and totally unacceptable delays that plagued the system in the summers of 1999 and 2000, the FAA made needed changes, such as identifying and addressing choke points in the system, and developing and refining regular communications between the airlines and the FAA command center to deal with daily problems in the system.

One of the studies FAA conducted revealed a number of airports with capacity constraints that impacted the national airspace system (NAS) as a whole. FAA has a real

and important role to play in addressing the problems at these airports and other airports throughout the country. The Administration's commitment to remain focused and take advantage of this temporary reduction in air traffic to expand capacity is evidenced by both the President's Executive Order on environmental streamlining and the \$3.4 billion investment included in the President's 2004 budget for the Airport Improvement Program (AIP), a number consistent with the funding in AIR-21.

The President's Executive Order (EO) recognizes that needed capacity projects are essential to the well-being of the American people and a strong economy, but have too often been unnecessarily delayed by inefficient review processes. The EO established a high-level interagency Task Force chaired by the Secretary of Transportation to expedite reviews for designated high-priority projects and to recommend ways to streamline and simplify reviews for transportation projects in general, consistent with the nation's commitment to environmental stewardship.

In challenging fiscal times, the President's commitment to the AIP program is another example that he wants our focus on expanded airport capacity to continue unabated. The importance of investment in airport infrastructure goes beyond alleviating a congestion problem at a specific location. It can provide relief to the entire NAS. The economy relies on aviation to move people and products, and aviation relies on an efficient NAS to accommodate the capacity demands placed upon it. We must work together – Congress, federal, state and local governments, and industry stakeholders – to use this downturn in travel to prepare for the inevitable return of air traffic better situated to avoid the

nightmares of past summers. We must embrace our role as architects of the future and support the infrastructure necessary to meet the needs of future generations.

In order to ensure that FAA moves forward in all these areas, one of my top priorities is to provide consistency and predictability to the way FAA works with industry. I do not want any variations in FAA policy or practice in the regions or field offices. I want our industry partners in the United States and around the world to know what they can expect and count on when dealing with the FAA.

I also want to increase FAA's international profile. Aviation safety should be one of our most important exports. FAA is broadening our network of partnerships with civil aviation authorities, as well as promoting our relationships with regional safety organizations. We are in a position to be very helpful in providing technical assistance to those countries that want to improve aviation safety oversight or air traffic control services. We must also guard our position as a world leader in aviation safety, air traffic, and environmental issues. The world is getting ever smaller and if FAA can help improve safe air travel for U.S. citizens and citizens of the world no matter where they travel, we should embrace that role. Just as past pioneers expanded the world's horizons, I want FAA to be a pioneer in transportation and improve aviation around the world.

Finally, in the five months I have served as Administrator, it has become apparent that FAA's operational costs must be brought under control. Since any future growth must be manageable, our decisions must be made in an informed manner. Just as our safety

decisions should be driven by data, so should our management decisions be driven by cost data. Consequently, we must push forward our efforts to set up our new financial system, DELPHI, and complete the implementation of our Cost Accounting System (CAS) and Labor Distribution Reporting (LDR) initiative. We will use this information to improve the decisions we make. Recently, the Department's Inspector General, Ken Mead, pointed out that we have additional work to do on internal controls related to the system we use to capture labor costs. I am committed to make these changes, and to additional enhancements that may be required in the future to assure the integrity of our cost information.

Mr. Chairman, I want the FAA to become, not a performance-based agency, but THE performance-based agency; one by which other agencies will be measured. We will start with the Air Traffic Organization and then work our way through the rest of the agency. The Air Traffic Services Subcommittee of the Management Advisory Council has embraced a formal set of eight performance metrics that will be reviewed on a quarterly basis at their meetings. This evaluation will enable the Subcommittee to measure the effectiveness and efficiency of the air traffic services provided to our customers. The Subcommittee has been extremely helpful by using their business acumen to provide advice on how best to serve our customers, while retaining business-like efficiencies.

In conclusion, this year marks the centennial of the Wright Brothers' historic flight at Kitty Hawk. The flight was marked in feet, not miles or time zones, yet it is hard to measure the impact of that moment on the way the world has evolved since that

momentous day. When you look back on those early days of aviation and how dangerous air travel was compared with other modes of transportation and compare them with today when aviation is the safest way to travel, it is easy to pat ourselves on the back and feel content with how far we've come. While we can and should marvel at all that we and our forbearers have accomplished in the past 100 years, complacency has no place in aviation. We must continue to set and work to achieve goals with respect to safety, capacity and efficiency. I want to know that I was part of the unimaginable advancements in aviation that will take place in the next 100 years and I want you to know that I stand ready to work with you to take those first steps in the second century of flight to make our world a better place.

This concludes my prepared statement. I am happy to answer your questions at this time.