

4STATEMENT OF MICHAEL P. HUERTA, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION, BEFORE THE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION, COMMITTEE ON AVIATION ON FAA'S PROGRESS ON KEY SAFETY INITIATIVES, APRIL 16, 2013.

Chairman Rockefeller, Senator Thune, members of the Committee:

Thank you for the opportunity to speak to you today. This is the first time I am testifying before you as the confirmed Administrator of the Federal Aviation Administration (FAA). I appreciate your support for my candidacy. It is a privilege to hold this position and I welcome the challenges that will come with it. I hope to enjoy a long and effective relationship with you and this Committee.

There are a number of important ongoing aviation safety-related initiatives that I know are of interest to this Committee. We are working hard to meet the future demands of aviation. From transitioning to the Next Generation of Air Transportation System (NextGen) to integrating Unmanned Aircraft Systems (UAS) into the national airspace system (NAS), the goals we are striving to meet are challenging, especially in light of the existing fiscal constraints. But our workforce is dedicated and very aware that achieving these goals are vital to FAA's ability to continue leading the world in aviation safety and innovation.

Just over a year ago, Congress passed and the President signed the Federal Aviation Reauthorization Modernization and Reform Act of 2012 (Reauthorization). As the returning members of this Committee may recall, passage of the bill followed a long odyssey that involved 23 extensions before a comprehensive bill was passed. During that

period, I spoke with Members individually about the impact the short-term extensions were having on our programs. The Airport Improvement Program (AIP) was adversely impacted without the stability of a long-term authorization. Airports across the country delayed the start of important capital projects due to the concern that funding was being authorized in very small amounts because of the short length of the extensions. As a consequence, during extension periods, airports were uncertain about committing to projects of all sizes, ranging from safety improvements to crucial infrastructure preservation to environmental impact mitigation, including sound insulation projects. Another impact to airport projects, as a result of multiple extensions was the inability of engineers, construction contractors, and material and equipment suppliers to place orders and conduct work. Reduced amounts of funding were made available in accordance with the short-term extensions, so committing to long-term investments was problematic. We very much appreciated the passage of a comprehensive authorization that promised important stability and predictability.

### **Sequestration**

Now, just over one year later, the benefits of reauthorization are in jeopardy due to the budget reductions imposed by sequestration. It is essential to the effective management of FAA's programs to have stability and predictability that can be relied upon.

Sequestration places us in the position of even greater uncertainty than the days of multiple extensions. Our agency has been working hard to plan for and implement the required cuts in a way that does not materially jeopardize our ability to ensure the highest levels of safety. Seventy percent of FAA's Operations budget is dedicated to employee

salaries and benefits, so they will bear a significant portion of the cuts. I can assure you that safety is the FAA's top priority. If sequestration means fewer flights can be safely accommodated in the NAS, then there will be fewer flights.

On April 10, I issued final furlough decision letters to over 47,000 employees. The furloughs generally will be on discontinuous days, approximately one day per bi-weekly pay period, for a maximum of 11 days between April 21 and September 30. We are also planning to eliminate midnight shifts in over 60 towers across the country starting this summer; cease federal funding at 149 air traffic control towers at airports with fewer than 150,000 flight operations or 10,000 commercial operations per year starting June 15, and reduce preventative maintenance and equipment provisioning and support for all NAS equipment. All of these changes will be finalized as to scope and details through collaborative discussions with our users and our unions.

As a result of employee furloughs and prolonged equipment outages resulting from lower parts inventories and fewer technicians, travelers should expect significant delays. We are aware that these service reductions will adversely affect commercial, corporate, and general aviation operators and the travelling public.

Beyond the impacts to air traffic, aviation safety employees will also experience furloughs that will impact airlines, aviation manufacturers, and individual pilots who need FAA safety approvals and certifications. While the agency will continue to address

identified safety risks, slowed aircraft certification and operations approval processes due to furloughs could negatively affect all segments of the aviation industry.

It is unfortunate that many of the positive benefits of the long-term reauthorization are being undermined by sequestration.

### **FY 2014 Budget**

The President released his FY 2014 Budget last week. The FAA's FY 2014 Budget request of \$15.6 billion strikes a balance between maintaining current infrastructure while deploying key NextGen benefits to our stakeholders, upholding our critical safety programs, and modernizing our aviation infrastructure. Our request is \$351 million lower than FY 2012. This 2.2 percent decrease supports the President's effort to reduce the deficit. Approximately half of our funding request is devoted to maintaining and improving the agency's safety programs. This includes the ability to perform safety inspections and carry out rulemaking and certification activities to move NextGen and commercial space initiatives forward.

The budget requests \$9.7 billion to provide the operation, maintenance, and support of our air traffic control and air navigation systems, ensure the safe operation of the airlines and certify new aviation products, ensure the safety of the commercial space transportation industry, and provide overall policy oversight and management. This represents an increase of just 0.6 percent from the FY 2012 enacted level. This includes \$1.2 billion to continue to promote aviation safety by regulating and overseeing the civil

aviation industry and continued airworthiness of aircraft, as well as certification of pilots, mechanics, and others in safety management positions. The \$2.8 billion Facilities & Equipment (F&E) request enables FAA to meet the challenge of both maintaining the capacity and safety of the current national airspace while keeping a comprehensive asset modernization and transformation effort on track. The \$166 million requested for Research, Engineering, and Development (RE&D) supports the continuation of work in both NextGen and other research areas such as environmental research, safety research in areas such as fire research, propulsion and fuel systems, unmanned aircraft, advanced materials research, and weather research. And the \$2.9 billion request for Grants-in-Aid for Airports focuses Federal grant funding on smaller commercial and general aviation airports that do not have access to additional revenue or other outside sources of capital. This is coupled with a proposed increase to Passenger Facility Charges, from the current maximum of \$4.50 to \$8.00, thereby giving commercial service airports greater flexibility to generate their own revenue. Finally, in the Operations, F&E and RE&D requested amounts, we have included \$1.002 billion for the NextGen portfolio, an increase of \$67.2 million, or approximately 7 percent, above the FY 2012 enacted level. This level of program funding enables the FAA to continue to support near-term NextGen commitments in a budget-constrained environment.

### **Boeing 787**

Turning to another matter that has received a great deal of attention, I would like to update you on the status of the review of Boeing 787's lithium batteries. On March 12, FAA approved Boeing's certification plan for the 787 battery system redesign. This was

done after a thorough review of the proposed modifications, as well as the company's plan to demonstrate that the modified system will meet FAA requirements. Approval of the certification plan was the first step in the process to evaluate the 787's readiness for return to flight. It required Boeing to conduct extensive testing and analysis to demonstrate compliance with the applicable safety regulations.

The battery system improvements include a redesign of the internal battery components to minimize risk of a short circuit within the battery, better insulation of the cells, and the addition of a new containment and venting system. These added protections are expected to help prevent and contain smoke and fumes in the event that a battery does malfunction.

Boeing flew limited non-passenger test flights of two aircraft that had the prototype versions of the new battery containment system installed. The purpose of the test flights included validation of the aircraft instrumentation for the battery and testing of the battery enclosure, in addition to product improvements for other systems. Boeing completed all required tests and analysis to demonstrate that the new design complies with FAA requirements. The FAA is reviewing the test reports and analysis and will approve the redesign once we are satisfied Boeing has shown the redesigned battery system meets FAA requirements.

Aviation, from its very beginning, has stretched technological boundaries. Technological change in aviation comes in waves. For more than five decades, the FAA has compiled a

proven track record of safely introducing new technology and new aircraft. As we continue to do this, I want to make one thing crystal clear. The FAA takes very seriously its responsibility to establish aircraft safety standards and certify new products and technologies.

As you know, we are moving forward with a review of the critical systems of the Boeing 787. When we have a concern, we will analyze it until we are satisfied. I am confident that the FAA has the expertise needed to oversee the Dreamliner's cutting edge technology. We have the ability to establish rigorous safety standards and to make sure that aircraft meet them. The best way to do this is to bring together the best minds and technical experts in aviation to work on understanding how these new systems work and how to establish and meet appropriate safety standards.

We enhance safety by keeping the lines of communication open between industry and government – by fostering the ability and willingness to share information about any challenges we might be facing. We want to create an atmosphere where people feel they can share what they know, all in the pursuit of safety.

We all want the same outcome. We want to harness advances in technology to produce safe aircraft. We will never lose sight of our respective roles, but that does not mean that there is not a seat at the table for bright minds from industry to help inform the best way to navigate the complex technological issues we encounter. It would be short-sighted to overlook anyone's valuable expertise.

## **Reauthorization**

As noted above, we were very happy when a comprehensive FAA reauthorization was passed last year. Reauthorization required over 200 separate deliverables, nearly half of which were due within the first year of enactment. FAA is on track to meet or has met approximately 80 percent of those action items. We have fully completed about half of the deliverables in the law. Now, as I'm sure you can appreciate, all action items are not created equal. Some are very complex and require a good deal of input from our workforce and industry partners. I believe that meaningful collaboration is the only way to achieve a workable path forward. Doing what we need to do to get the most effective work product is our goal, even if it means that certain deadlines are not met.

## **Safety**

Safety is FAA's number one mission. Nothing is more important. Our system has never been safer. There has not been a fatal commercial passenger accident in the United States since 2009. I am proud of the hard work that has gone into providing a basis for achieving this level of safety. We need to make aviation safer and smarter through risk based approaches. The only way to prevent accidents before they happen is to accurately identify risk areas and work to mitigate them. That is the reason we are working hard to improve runway safety areas (RSAs) at commercial service airports. Some of the RSA improvements include the installation of the Engineered Materials Arrest System (EMAS). This soft concrete block system has been installed in RSAs at 45 airports in the U.S. These EMAS systems have already stopped eight overrunning aircraft with no



fatalities or serious injuries to passengers. Voluntary reporting for both FAA and industry employees, safety management systems (for both FAA and industry) and the creation of the Aviation Safety Whistleblower Investigation Office have also helped to prevent accidents. All of these efforts have been providing the agency with data and information to which we have never before had access. More information results in FAA being able to see trends and take action to mitigate the associated risks. Adjusting the safety culture to ensure employees that they can provide information without fear of reprisal is a cornerstone of our approach to safety.

Prior to Reauthorization, we had been working on the requirements of the Airline Safety and Federal Aviation Administration Extension Act of 2010. That act mandated rulemakings to revamp flight and duty time regulations to better address the issue of pilot fatigue, to increase the required number of hours of flight experience before a pilot can qualify to be a commercial pilot, and to revise pilot training to better simulate challenging conditions so that pilots can better handle serious, but rare situations. We completed the flight and duty time rulemaking just over a year ago, and plan to complete our work on the final pilot qualification rulemaking (the “New Pilot Certification and Qualification Requirements Final Rule”) by August 2013 and pilot training (the “Qualification, Service, and Use of Crewmembers and Aircraft Dispatchers Final Rule”) by October 2013. Reauthorization has since added a number of rulemaking requirements that we are also pursuing.

With respect to other safety directives in Reauthorization, FAA commissioned an Aviation Rulemaking Committee (ARC) to develop recommendations to improve our aircraft certification process: we delivered our Report to Congress on that effort in August of last year and have begun implementation of the report's recommendations. We also established an ARC consisting of government and industry experts to develop recommendations on improving the consistency of regulatory interpretations. We are in the process of finalizing a report informing Congress of the recommendations presented to the FAA.

Reauthorization also required a number of safety-related reports. We have delivered the report required on runway safety alert systems and the first annual report of the Aviation Safety Whistleblower Investigation Office summarizing the disclosures the office has received and how they were handled. In the upcoming weeks, we expect to issue reports on the National Service Air Carrier Evaluation Program, night vision goggles for helicopter pilots, improved pilot licenses, and limiting access to the cockpits in all cargo aircraft. We are also finalizing a report to Congress on common sources of distraction on the flight deck.

Pursuant to Congressional direction, we have also worked with the Occupational Health and Safety Administration (OSHA) to draft a statement of policy which permits some OSHA standards to be applied to improve workplace safety for aircraft cabin crew. We published a draft policy statement in the Federal Register in December of 2012 for comment, and are in the process of reviewing those comments.

Also in accordance with reauthorization, in October of last year, the FAA, in conjunction with the Department of State, issued a cable regarding international drug and alcohol standards for foreign repair stations. An advanced notice of proposed rulemaking (ANPRM) is currently in executive review.

### **Delivering Technology**

Our goal in the area of delivering technology is to efficiently and sustainably deliver benefits to our stakeholders and society. One of the responsibilities of the Deputy Administrator is to serve as our Chief NextGen Officer, so that is one of many reasons I hope to appoint a Deputy relatively quickly.

Throughout Title II of the Reauthorization, there is a theme that modernization of the system must be done in collaboration with our industry partners. FAA wholeheartedly agrees with this concept. Imposing technological changes without the input of the users would be a recipe for failure. We continue to engage through our work with Optimization of Airspace and Procedures (OAPM) initiatives, which are being done in close collaboration with industry and stakeholders. OAPM is actively working in nine of the 13 metroplexes identified in Phase 1 of the program. Of these, one of the metroplexes (Houston) is currently in the implementation phase with two additional sites (Washington, DC, and North Texas) planned to start implementation of the new procedures later this summer, depending on how sequestration impacts this plan. The metroplex initiative optimizes procedures in a geographic area where there are a number

of airports, rather than focusing on each airport separately. Through this initiative, we are untangling our busiest airspace and creating more direct routes, cutting fuel, and becoming more environmentally friendly. In the congested airspace in the skies above our busiest metropolitan areas, these new modifications are being put in place in three years, much more quickly than the five to ten years it had taken previously. We are also actively engaged with our industry and government partners in the development of NextGen through the NextGen Advisory Committee (NAC). This group is helping to guide many aspects of our air traffic modernization work. The NAC also works with FAA on developing and tracking performance metrics and advising on the technical challenges of one of the new categorical exclusion provisions included in Reauthorization.

Reauthorization also provides FAA with the ability to consider using operational and financial incentives for commercial and general aviation operators to equip their aircraft with NextGen technology. We are actively engaging aircraft operators and potential private partners to assess interest and receive feedback on equipage incentive programs and how use of this authority could attract additional investment in NextGen technologies and training.

FAA has completed a departure queue management pilot program that was required in the statute in order to continue to advance plans to enhance surface management at airports. Also, in accordance with Reauthorization, we have issued guidance for AIP funding eligibility that supports the importance of sustainability initiatives in the way that

airports do business, and we expect to issue further guidance in 2013. We have also initiated a new study on the National Plan of Integrated Airport Systems, which is a long-established process for identifying strategic investments. The new study will ensure we are making the best use of available data in supporting our decisions to advance safety, capacity, efficiency, and sustainability initiatives.

Finally, in February, pursuant to Reauthorization, the FAA requested proposals for interested state and local governments, eligible universities, and other public entities to develop six Unmanned Aircraft Systems (UAS) test sites around the country, which will gather information to help inform research, development, operational and privacy issues. We expect to select the six sites by the end of the year. These sites will conduct critical research that will help determine how best to integrate UAS into the NAS. Once the sites are operational, we expect to learn how UAS operate in different environments and how they impact air traffic operations. I know this Committee is very interested in UAS integration. Use of the six sites will provide us with essential information to facilitate integration of UAS into the NAS and to address outstanding issues, such as privacy. Prior to finalizing the FAA's UAS five-year "Roadmap", the FAA is coordinating the roadmap with other UAS stakeholder agencies and ensuring alignment of that roadmap with the Joint Planning and Development Office's Interagency Comprehensive UAS Plan.

## **Empower and Innovate FAA's Workforce**

In the current fiscal climate, we have to find a way for FAA's employees to work smarter and enhance our productivity. You tasked us to undertake a thorough review of each program, office, and organization within the agency. Our report on FAA Review and Reform highlights 36 initiatives to improve and update processes, eliminate duplication and waste, and make the agency more efficient and effective. The initiatives identified cover many aspects of our operations and include improvements to cost analysis, governance, acquisition processes, standard operating procedures, and human resources. Of the 36 initiatives, 16 have been implemented and 20 are in progress. In addition, we are actively engaging our employees in the development of recommendations for facilities consolidation and realignment.

At your direction, we are looking closely at improvements to staffing and training for our employees. Four studies are underway looking at frontline manager staffing, technical training and staffing, air traffic controller staffing and air traffic training and scheduling. Due to the requirement to produce the plan by March 31, 2013, the interim workforce plans we submitted last month do not reflect the potential effects of sequestration. The FAA will adjust the actual staffing and hiring forecasts to reflect future funding levels as they become available. Finally, in accordance with Reauthorization, we developed staffing standards and scheduling plans for New York City and Newark air traffic control facilities. We are in the process of considering impacts of sequestration to staffing concerns.

## **Develop and Fund the Efficient FAA of the Future**

FAA must not only meet our day to day responsibilities, we must also look to the future and figure out how to shape the agency to meet the demands and opportunities of the future. As noted earlier, the U.S. aviation system is going through significant, even revolutionary changes. NextGen is a major transformation which will increase our efficiency and safety, reduce delays and reduce fuel consumption. UAS have the potential to change the face of aviation. In the midst of these changes, budget pressures are making us ask hard questions about what the FAA needs to deliver in the coming years to ensure the safety and efficiency of the NAS and how to do it most cost-effectively.

In addition, we will face major changes in our workforce in the coming years. About one third of FAA employees will be eligible to retire starting in 2014. So for us, succession planning remains a crucial aspect of the agency's focus, and we realize that we will begin to lose a vast amount of corporate knowledge in the coming years. To prepare for that, we must impart this knowledge to today's emerging leaders and experts to ensure a successful agency in the 21<sup>st</sup> century. We need to embrace innovation and to work efficiently.

Efficiencies are not just for the future. Given the economic challenges we are facing, FAA has worked very hard to find cost savings and we have been quite successful. In fiscal year 2012, FAA efficiencies and cost cutting resulted in \$81 million in savings.

Prior to sequestration, we have set a target of \$91 million in cost savings for fiscal year 2013. We recognize that the status quo is not an option and we will continue to strive to achieve additional efficiencies moving forward.

Finally, we must chart innovative and collaborative ways to engage with all segments of the aviation sector, from airlines to association groups, to general aviation, to unions. We must embrace the opportunity to make long-lasting changes together that ensure a vital and vibrant aviation industry that serves the needs of this nation.

### **Advance Global Collaboration**

The world is increasingly interdependent, so international collaboration is essential if we want to move forward effectively. FAA needs to continue to work with international partners to improve global aviation safety and sustainability. This effort will require us to improve the harmonization and interoperability of new technology with international aviation standards and procedures to improve safety on a global basis. We need to work to ensure the roadmaps agreed to by the International Civil Aviation Organization (ICAO) to advance communications, navigation, and surveillance improvements for global air navigation are compatible with our NextGen concepts and implementation and our domestic regulatory plan. We are working at ICAO to find practical and collaborative solutions to address aviation's greenhouse gas emissions and are encouraged by the European Union decision to "stop the clock" on application of their emissions trading system on foreign airlines. Our international partnership will require us to develop and begin to implement a strategic plan for technical assistance, training,



and other activities to maximize the value of FAA's expertise and United States resources. The FAA is committed to working proactively with countries around the world to create the initiatives and achieve the outcomes we need in the areas of safety, air traffic management, and the environment to foster a safe, efficient and sustainable global aviation sector.

### **Conclusion**

Let me conclude by saying that it is essential to the effective management of FAA's programs to have stability and predictability that can be relied upon. The many extensions over the last few years took a toll on FAA's work in certain areas. Now we face an even more extreme uncertainty under sequestration. All of us in this room want the same things. We want to get better at what we do, think smarter, improve safety, streamline processes, and remain the agency that can work collaboratively with the world to develop safer and more efficient practices. Sequestration will not stop us from trying to attain these goals, but it will make it much, much harder.

Mr. Chairman, this concludes my statement. I will be happy to take questions at this time.