

STATEMENT OF J. DAVID GRIZZLE, CHIEF OPERATING OFFICER,
AIR TRAFFIC ORGANIZATION OF THE FEDERAL AVIATION
ADMINISTRATION, BEFORE THE HOUSE COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON
AVIATION ON THE CONSOLIDATION AND REALIGNMENT OF
FAA FACILITIES, MAY 31, 2012.

Chairman Petri, Ranking Member Costello, Members of the Subcommittee:

Thank you for inviting me to testify before you regarding the consolidation and realignment of the Federal Aviation Administration's (FAA) facilities.

The FAA's ability to meet the future needs of the aviation system, including the implementation of NextGen, fundamentally relies on the agency's ability to optimize our facilities and workforce, to take advantage of emerging technologies and to serve the needs of those using the national airspace system (NAS).

Section 804 Requirements

I would like to say at the outset that we at the FAA view Sec. 804 of Public Law 112-95, the FAA Modernization and Reform Act of 2012, as an invaluable opportunity to obtain Congressional support to move forward with the transformation of the FAA air traffic control facilities infrastructure. The provision directs the FAA, with input from labor and industry to develop consensus recommendations on the realignment and consolidation

of FAA services and facilities, and to report to Congress on those recommendations within 120 days from the date of enactment. The process is collaborative in nature and will require FAA to consider the input from several sources, including the Department's Office of the Inspector General (IG).

Inspector General Draft Audit

While Sec. 804 applies to the facility consolidation and realignment plans for the entire agency, the Inspector General's (IG) Office has a draft audit evaluating the Air Traffic Organization's (ATO) efforts in this area. These efforts will form the foundation for proceeding with the implementation of NextGen technologies, while maintaining the safety and reliability of the infrastructure upon which we must rely until NextGen technologies come on-line. The FAA has not yet had an opportunity formally to provide official input to the IG's findings. Nevertheless, we agree with the IG's assertions in the draft audit that FAA has not sufficiently developed the metrics necessary to quantify the merits of various alternatives with respect to consolidation and realignment. We are working hard to determine the appropriate criteria for making FAA's decisions moving forward. The criteria we used previously focused primarily on capital costs of brick and mortar, which was relatively simple to apply, but failed to address critical

operating costs and issues. Contract obligations and their impact on consolidations or realignment proposals, and location-specific differences in other operating costs make these larger decisions more complex. As we work toward developing our criteria and analytic tools, we will continue to seek the best information available to us.

The FAA currently operates 542 facilities, including air traffic control centers, TRACONS, and airport towers. Of these, 292 are staffed by FAA employees and 250 are contract towers. FAA is responsible for the maintenance and/or replacement of 402 of these facilities, many of which are quite old. As noted in the IG audit, as recently as 2008, FAA was making short term decisions about how to invest its fiscal resources on facilities based primarily on the immediate need to sustain the operations in the NAS. As the facilities aged and required more and more maintenance, it became evident that short term, facility-specific investments were not a long-term, cost-effective method of maintaining our critical infrastructure and could not adequately support the implementation of NextGen.

Framework

The U.S. airspace is the most complex in the world. It accommodates, not only 22 million commercial operations a year, but also a robust general aviation community, as well as military operations. This mix represents an extraordinary range of aircraft types, capabilities, and missions. For several years, we have recognized the need for a more holistic approach to address the combination of aging infrastructure and advancing technologies—technologies which no longer require that controllers be located near the airspace they are controlling in order to safely separate aircraft. Because we can combine controller groups and their airspace, we can reduce the number of boundary hand-offs and, thus, the possibility of human error. Working with our unions over the past two years, we have developed a strategy to address different areas of airspace over the contiguous 48 states. The strategy adopts a segmented approach, prioritizing on the basis of need and optimization opportunity for the airspace and facilities in question.

Initial Efforts

Our initial focus is on the New York area, which is encompassed in Segment One of the FAA's Capital Investment Plan. Problems that develop in this airspace have consequences across the country. We are currently engaged in

a collaborative process to address the future in New York with our unions and facility management playing a central role. We need their input and acceptance in order to proceed effectively. There are 49 facilities to be considered in Segment One. How their consolidation or realignment is accomplished is something that is receiving our utmost attention and we expect to deal with a number of them in the proposal that we submit to Congress. Also, as required by law, we will solicit input from industry stakeholders and impacted communities to achieve a proposal with all perspectives having been considered. While obtaining and considering the views of a broad range of affected entities will take some time, it will result in a better product. The proposal will include consideration of the existing facilities, their condition, their location, the anticipated needs of the region, whether and where new facilities should be constructed and how FAA employees would be impacted. The cost of different alternative approaches will also need to be considered including, the tradeoff between capital costs and long-term operating costs.

Going Forward

Similarly, as we look beyond replacing the New York facilities, we anticipate our process to make consolidation and realignment decisions will

be adjusted based on lessons learned, changing demands on the system and emerging technologies. Consequently, while FAA's segmented plan extends out for several decades, the plan submitted to Congress pursuant to the legislation will only cover the time period into the future for which we have reasonably reliable visibility. As a result, the plan will go out about 5-8 years.

We all recognize the importance of meeting tomorrow's demands as quickly as possible while continuing to ensure the safety of the air transportation system. With respect to consolidation, realignment, and transforming to NextGen, FAA appreciates the opportunity Sec. 804 affords us to make difficult decisions with the support of Congress. We think the segmented approach ATO has developed strikes the right balance allowing us to make challenging decisions as quickly as possible. We agree with the IG determination that there is more work to be done to quantify and justify difficult decisions. We expect this ongoing process to be ever more refined as we progress.

Coordination with FAA Partners

With respect to the broader Sec. 804 directive, ATO has the largest role to play, given its size and the changing mission we must support as we transition to NextGen. However, I want to assure you that other FAA organizations, led by the Shared Services Regions and Center Organization, are working together to ensure the FAA's approach to consolidation, particularly in administrative space around the country which will contribute to the goal of the provision. Each affected offices/lines of business have plans to meet with appropriate union representatives to develop a target plan that can be used as a platform to begin to include aviation stakeholders and impacted communities as required by the law.

Until the passage of the most recent authorization, there was no requirement for a single agency-wide consolidated plan. Consequently, the different needs and goals of each organization within the FAA were treated separately and included different time frames. All of these different goals and timeframes must be coordinated and consolidated into a single proposal for Congressional consideration. We believe this process will be complicated, but certainly worth doing, so we are up for the challenge of meeting the

Congressional mandate. I can state with certainty that the agency's work is underway and advancing.

Conclusion

In conclusion, I want to again thank the Committee for inviting me to testify today and for affording the FAA the chance to take advantage of the opportunity offered by Sec. 804. I also appreciate the IG audit that confirms the complexities of our mandate and the work we must do to make the most effective decisions. I would also like to thank our National Air Traffic Controllers Association (NATCA) partners for their collaboration in recognizing the need for significant change and to support the future of aviation. We look forward to working with Congress, the IG, NATCA and the industry to achieve the best possible outcome for this ongoing process.

This concludes my statement. I would be happy to answer any questions you may have.