

STATEMENT OF MICHAEL P. HUERTA, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION, BEFORE THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON AVIATION ON A LOOKBACK ON REAUTHORIZATION – ONE YEAR LATER, FEBRUARY 27, 2013.

Chairman LoBiondo, Congressman Larsen, Members of the Subcommittee:

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). It is a privilege to hold this position and I welcome the challenges it presents. I also want to acknowledge that, while I am a newly confirmed Administrator, this is also my first hearing before the new Chairman and Ranking Member of this Subcommittee. I hope to enjoy a long and effective relationship with you and this Subcommittee.

Today is just over a year after the passage of the Federal Aviation Reauthorization Modernization and Reform Act of 2012 (Reauthorization). As the returning Members of this Subcommittee may recall, passage of the bill was 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 postponed important capital projects due to the concern that funding was being authorized in very small amounts due to the short length of the extensions. As a consequence, there was always uncertainty about committing to projects of all sizes, ranging from safety improvements to crucial infrastructure preservation to environmental impact mitigation, such as sound insulation. During extension periods, those impacts affected the ability of engineers,

construction contractors, material and equipment suppliers to place orders and conduct work. Only small 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.

It is, therefore, a bit ironic that I have been asked to testify before you just two days before sequestration goes into effect. The stability and predictability that is so essential to the agency's ability to meet the current demands of both air traffic and aviation safety. Our agency has been working hard to plan for the required cuts if Congress does not act. 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 National Airspace System (NAS), then there will be fewer flights.

I have notified FAA's employees that they should be prepared to be furloughed one or two days per bi-weekly pay period during the sequestration. We are also planning to eliminate midnight shifts in over 60 towers across the country, close over 100 air traffic control towers at airports with fewer than 150,000 flight operations or 10,000 commercial operations per year, 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. We will commence furloughs and start facility shut-downs in April.

As a result of employee furloughs and prolonged equipment outages resulting from lower parts inventories and fewer technicians, travelers should expect delays. Flights to major cities like New York, Chicago, and San Francisco could experience delays of up to 90 minutes during peak hours because we will have fewer controllers on staff. We are aware that these service reductions will adversely affect commercial, corporate, and general aviation operators. We also expect that, as airlines estimate the potential impacts of these furloughs, they will change their schedules and cancel flights.

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, a slowed certification and approval process due to furloughs could negatively affect passengers and all segments of the aviation industry.

The threat of sequestration has been hanging over us for quite some time and, in some respects, it has been more unsettling than the short-term extensions. Many of the positive benefits of the long-term reauthorization are being undermined by the threat of sequestration. I know I speak for all of FAA's workforce when I say that it is vital that Congress remove the uncertainty of sequestration and allow our dedicated employees to continue to do the important work that they want to perform.

Turning to the topic of today's hearing, 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% of those action items required to date in the law. We have currently 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. That represents approximately 39.7 million flights that were operated safely. 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. This is possible due, in part, to 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. 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 that could lead to accidents, and mitigate the associated risks to prevent accidents from happening.

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 increasing the required number of hours of flight experience before a pilot can qualify to be a commercial pilot, to revising 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 we are committed to completing our work on the final pilot qualification rulemaking by August 2013¹ and pilot training by October². Reauthorization has since added rulemaking requirements that we are currently 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 we are evaluating these recommendations to determine next steps. We also established an advisory panel of government and industry experts to develop recommendations on improving the consistency of aviation safety inspections. We are in the process of finalizing a report informing Congress of the recommendations presented to the FAA.

¹ RIN 2120-AJ67

² RIN 2120-AJ00

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 complaints 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.

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.

Delivering Technology

Our goal in the area of delivering technology is to efficiently and sustainably deliver benefits to our stakeholders and society. As an aside, one of the responsibilities of the Deputy Administrator is to serve as our Chief NextGen Officer. Now that I have been confirmed, I hope to appoint a Deputy relatively quickly. This should be made easier now that the Deputy no longer has to be confirmed by the Senate.

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 disaster. 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 planned to start implementation of the new procedures later this summer (DC and North Texas). 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 exclusions 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 interim guidance for AIP funding eligibility that supports the importance of sustainability initiatives in the way that airports do business, and 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 and prioritizing 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, less than two weeks ago, 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) research and test sites around the country. 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. 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 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, and air traffic controller staffing and air traffic training and scheduling. We also delivered and implemented a staffing model for safety inspectors that was documented in the Aviation Safety 2012 Workforce Plan. Finally, in accordance

with Reauthorization, we developed staffing standards and scheduling plans for New York City and Newark air traffic control facilities.

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 2014. So for us, succession planning remains a crucial aspect of the agency's focus, and we must 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 21st century. We need to embrace innovation and to work efficiency.

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. 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 lead the charge 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 leadership role 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 with the specter of sequestration looming. All of us in this room want the same things. We want to get better at what we do, think smarter, improve safety, streamline certification, 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, that concludes my statement. I will be happy to take questions at this time.