

STATEMENT OF THE HONORABLE RANDOLPH BABBITT, ADMINISTRATOR,  
FEDERAL AVIATION ADMINISTRATION, BEFORE THE COMMITTEE ON  
TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON AVIATION,  
ON REAUTHORIZATION OF THE FEDERAL AVIATION ADMINISTRATION  
PROGRAMS, FEBRUARY 8, 2011.

Chairman Petri, Congressman Costello, Members of the Subcommittee:

Thank you for the opportunity to appear before you today to discuss the need to pass comprehensive reauthorization legislation for the Federal Aviation Administration's (FAA) programs. Before I begin my statement, I would like to acknowledge the many changes that have occurred to this Committee and Subcommittee since I last appeared before you. The Committee has many new Members whom I look forward to getting to know. Since I am a frequent guest of this Committee, I am sure I will get to know those of you who are new to the process and I look forward to working with all of you.

FAA's mission is to provide the safest, most efficient aerospace system in the world. We make sure the planes are safe. We make sure runways are safe. We make sure that aircraft in the National Airspace System (NAS) operate safely and efficiently. While this sounds simple, I can assure you it is not. Approximately 50,000 flights are operated on any given day. We move approximately 750 million people through the system on an annual basis. Yet, even as the number of passengers and flights increase, the accident rate continues to decrease. In calendar year 2010, there were zero commercial passenger fatalities in the United States. In the past four years, we have had only one fatal passenger accident. During that time, 42 million passenger flights were operated safely.

Every fatality is a failure and we continue to strive to make those failures even rarer than they are today, but we are proud of the strides we've made.

As the sheer volume of the traffic indicates, aviation is critical to the way we live our lives and run our businesses. The aviation industry alone directly employs 1.1 million people and supports more than 11 million jobs in related industries and through spending by direct aviation employees. Altogether, this represents 6% of the Gross Domestic Product (GDP). Consequently, long term authorization of FAA's programs is extremely important.

For some of you who may not know the long history of the reauthorization effort, there have been 17 extensions of FAA's programs since the last comprehensive legislation expired in 2007. There are many reasons why we are at this point, but the bottom line is that the failure to enact long term, comprehensive aviation legislation has had troubling impacts. While there has not been a gap in the authorization of FAA's programs, there is always uncertainty about the passage of the next extension. Many of the extensions have been for relatively short periods of time, which has made managing our programs, particularly our airport grant program, extremely difficult. In addition, there are many legislative provisions that direct the agency's action in certain areas. Some of these provisions would require the FAA to redirect resources or modify strategic decisions. Passage of long term legislation would provide needed clarity. Uncertainty about how Congress may act in certain areas makes moving forward in those areas more complicated. If we make a strategic decision that the legislation requires us to change, it

could be costly and inefficient. We can no longer afford to operate in a continued state of uncertainty.

The program that has sustained the most profound effects of the short term extensions is the Airport Improvement Program (AIP). Airports and their contractors have been forced to divide construction projects into smaller components so that they can be funded by the money made available by a particular extension. Airport sponsors cannot risk embarking on a project for which the funds are not available in their entirety because of lack of a long term authorization. Some airports have chosen to delay important safety and capacity projects until a more certain funding source is in place. This has caused a major increase in the amount of entitlement funding being carried over each year. For several years before the expiration of our authorization, the average amount of funding carried over each year was approximately \$400 million. Due to the serial extensions, the average amount carried over each year has consistently stayed in the \$500-\$600 million range, an indicator that the available funding is not being used in the best or most efficient way.

Administrative and project costs have increased due to the need for multiple grants to be issued for a single project. The number of AIP grants issued in 2008 through 2010 increased 35% over the three year period prior to the expiration of the last reauthorization in 2007. Such cost increases and project inefficiencies cannot be justified.

During my tenure as Administrator, I have not had the luxury of guiding the agency under a comprehensive, long term authorization. But I want to assure the Subcommittee

that the agency has not been idle while awaiting passage of comprehensive authorization. This is a dynamic time in an extremely dynamic industry. NextGen will transform the way we fly and do business. It will move us from radar to satellite, from radio to data communications, from traditional airways to streamlined routes. Knowing what the future holds, it is imperative that we transform our national aviation system and the FAA over the next 15 years. Our goal is to work closely with industry to implement new technologies and procedures that are sustainable and to work with our international partners to establish uniform standards around the globe.

Last year, we asked an outside group to help us evaluate how we could effect change to better support the upcoming challenges. Representatives spent five months talking with employees and other stakeholders and surveying opinions. The review team talked with more than 100 executives, former FAA employees, and representatives from the Department of Transportation. Twenty-five hundred managers were surveyed, across the agency. The results showed that FAA's culture is highly operational, tactical and safety-oriented. FAA employees are committed to and proud of our safety mission. However, the findings also indicated that, as an organization, we need to take a hard look at how we operate. We need to make sure we are structured to effectively implement the Next Generation Air Transportation System, or "NextGen," deliver shared services and reach out and engage our stakeholders.

Based on the information obtained and evaluated, we are implementing recommendations for change in a variety of areas that will help us reach our long term goals and increase

our effectiveness. One such recommendation is to avoid duplication of effort and streamline similar functions as much as possible. In addition, we need to improve our capabilities in areas such as hiring, promoting and retaining employees, so that we have the world class workforce necessary to support NextGen. This will require a more holistic approach with better collaboration across different parts of the organization. The agency is creating shared goals and metrics that all employees can work toward. Achieving these improvements will require strong leadership across the agency which can only happen if we improve the way we select and develop executives. Changes and streamlining in the agency will better position us to improve our flexibility and effectiveness, make the most of our resources, and meet the challenges presented by this dynamic period in aviation.

As it happens, this dynamic period in aviation coincides with a time of great economic challenges. That is why I feel very passionately that the FAA must demonstrate the strong business case for our major initiatives, and there is no greater example than NextGen. We need to demonstrate the operational and fiscal benefits to encourage widespread participation.

For example, we are moving forward with nationwide deployment of the satellite based surveillance system, Automatic Dependent Surveillance-Broadcast (ADS-B). In the Gulf of Mexico, we've installed ADS-B radio stations on oil platforms as part of an agreement with Helicopter Association International, oil and natural gas companies and helicopter operators. ADS-B equipped aircraft will receive air traffic services direct to the platform,

giving the users far greater flexibility than the restrictive grid system that was in place. We've opened up about a quarter of a million square miles of new, positively controlled airspace. In addition to the Gulf, ADS-B is up and running in Louisville, Philadelphia, and Alaska, all with very positive results. Just last week, we announced a partnership with JetBlue to demonstrate the benefits of ADS-B on flights between the Northeast and Florida.

NextGen is also helping us to improve efficiency and provide benefits through the deployment of Performance-based Navigation (PBN) procedures that save fuel and emissions of greenhouse gasses and other air pollutants. We are working in collaboration with Alaska Air Group on a program called "Greener Skies Over Seattle" to deliver reduced emissions and fuel burn through optimized descents and Required Navigation Performance approaches. Technical working groups are determining what FAA can do to make flights as environmentally friendly as possible. In the longer term, the FAA will explore the further leveraging of RNP to achieve even greater reductions in emissions and increases in efficiencies.

To date, we've published more than 900 Performance-based Navigation procedures, also known as Area Navigation (RNAV) and Required Navigation Performance (RNP) for precision arrival and departure routes and procedures. Again, making the business case, PBN pays for itself, having already saved millions of dollars in fuel at major U.S. airports. Southwest Airlines is a prime example. It is estimated that for every single minute of time saved on each flight, their annual savings quickly add up to 156,000

metric tons in emissions per year, which translates into a savings of \$25 million in fuel costs. When commercial aircraft burn thousands of pounds of fuel per hour, seconds do count.

Surface management is another area where NextGen is making a difference. Airports need to manage, not only aircraft, but the many other types of vehicles that service the aircraft and airport, which can be challenging. We've deployed airport surface detection radar, ASDE-X, at 27 airports, with another eight scheduled to receive it by 2013.

Initiatives at JFK and Memphis demonstrate that the technologies and procedures put in place reduced taxi times by about two to four minutes. Again, seconds count. But most importantly, ASDE-X provides another layer of safety by improving situational awareness for both operators and controllers.

Our NextGen goals include environmental and energy sustainability. As we implement NextGen operational capabilities, we will apply environmental management systems to improve environmental performance and streamline environmental reviews. We are also working to accelerate improvements in engine and airframe technologies to reduce noise, air pollution, and fuel burn through efforts such as FAA's Continuous Lower Energy, Emissions, and Noise (CLEEN) technology partnership with industry. Our Commercial Aviation Alternative Fuels Initiative (CAAFI) achieved a landmark in 2009 with the approval of a fuel specification that allows alternative fuels to be deployed as jet fuels. We seek to strengthen efforts to achieve affordable commercial scale production of sustainable alternative aviation fuels.

One final point of pride that I would like to share with you is the results of our Navigation (NAV) Procedures Project or NAV Lean. NAV Lean is a good example of how FAA listens to our stakeholders and works to address their concerns. Airlines that invested in equipping their aircraft with technology to take advantage of PBN are dependent upon the FAA to approve, certify, and publish RNAV and RNP arrival and departure procedures. The existing procedure development process accomplishes the desired production goals with the highest level of safety. However, the question was, could we do our work more efficiently? To answer this, we set up NAV Lean team to evaluate our current processes for developing all Instrument Flight Procedures, both performance-based and conventional, to determine where streamlining could occur. Our goal was to maximize customer value, while minimizing waste. The group worked to identify areas containing unnecessary redundancies, inefficiencies or delays, know as the “Lean Process.” Obviously, the overarching goal is to ensure the safety and integrity of the process, procedures and training, but to do it in a smarter way.

The group worked for almost nine months. I am pleased to announce today that their report was recently issued. It contains 21 recommendations for streamlining the procedure development process which will result in up to a 40% reduction of the time it takes to develop and approve a requested procedure. A team is now working on our plan to implement the recommendations. We expect to complete our implementation plan for these recommendations by June 1. Not only will this mean users of the system will see the benefits of their navigation technology investments sooner, but the FAA will improve

the efficiency and utilization of the airspace and demonstrate our commitment to NextGen.

In conclusion, although FAA has continued to work to improve safety and efficiency in the absence of a long-term authorization, I strongly urge the Committee to act to pass this much needed legislation. We need the certainty and clarity such legislation would provide. We need to understand the direction in which Congress wants us to move in order to act in an efficient and effective manner. We need to be able to rely on stable funding for the agency. And we need for programmatic efficiencies to be restored.

I think we all understand that the challenges of implementing NextGen and improving the safety and efficiency of aviation come at a time when tough investment choices need to be made. I plan to continue to make the case that investment in aviation is important, not only to airlines, passengers and pilots, but to the strength of the overall economy and businesses around the country. In an industry like aviation, standing still or moving backward is not an option. This Committee, in particular, demands a lot of the FAA, and rightly so. But meeting these demands requires investment. I think our case is compelling and the return on investment is not one we can or should ignore.

I look forward to continuing to work with those of you I know and getting to know those of you I don't. We all have our work cut out for us.

This concludes my statement. I look forward to answering any questions you may have.