

STATEMENT OF
THE HONORABLE JERRY F. COSTELLO
SUBCOMMITTEE ON AVIATION HEARING ON
“FEDERAL AVIATION ADMINISTRATION REAUTHORIZATION: STAKEHOLDERS”
FEBRUARY 9, 2011

- Chairman Petri, thank you for calling our second hearing on the “Federal Aviation Administration Reauthorization” to hear from industry stakeholders.

- Some have suggested that for fiscal reasons we should cut the FAA budget to Fiscal Year 2008 (FY08) levels and an amendment is pending in the Senate to do that to the FAA reauthorization bill. As I stated yesterday, I agree that we must make an effort to be fiscally responsible and cut federal spending where it makes sense; given the size of the deficit.

- However, based on information that I have received from the FAA, hundreds of workers will have to be furloughed, including safety inspectors who are responsible for making certain that the airplanes we and the American fly in every day meet U.S. safety standards. Therefore, I think we need careful thought as to how these cuts will affect the safety and security American people and the flying public.

- Last Congress we held numerous oversight hearings on the status of NextGen and we were moving in the right direction. As the Administrator indicated yesterday, the FAA has made important progress on Automatic Dependent Surveillance – Broadcast (ADS-B) and his agency continues to work in collaboration with industry stakeholders to identify and attain near- and mid-term benefits for airspace users. I would like to hear from our witnesses on whether they believe a FAA bill

with 2008 funding levels for NextGen will move us in the right direction and meet our needs to modernize the current air traffic control system.

- In addition to understanding how cuts to the FAA's budget will impact NextGen, the latest National Plan of Integrated Airport Systems (NPIAS) states that over the next 5 years there will be \$52.2 billion of Airport Improvement Program (AIP) eligible infrastructure development. However, AIP funding has been frozen at approximately \$3.5 billion since 2005, and the Passenger Facility Charge (PFC) has not been increased since 2000. At the same time, construction costs have risen by more than 50 percent in the past decade, eroding the purchasing power of AIP and PFCs. I look forward to hearing from some of our witnesses on how freezing or reducing AIP funding, in

addition to not raising the PFC from \$4.50 will affect airport infrastructure and our economy.

- I also want to raise an issue that has been and will continue to be a top priority for me – and that is a fair dispute resolution process for our air traffic controllers. In April 2006, the previous Administration declared an impasse in its negotiations with the National Air Traffic Controllers Association (NATCA) and gave Congress 60 days to intervene before unilaterally imposing its own contract terms on the controller workforce. I hope that these types of personnel and salary issues are never again brought before Congress in such a public and protracted manner. Therefore, I believe that we must include in this FAA reauthorization bill a provision that requires the FAA and its bargaining units to resolve impasses through mediation and

arbitration or through a mutually agreed-upon alternative process.

- Several Democrats and Republicans on this Committee supported compulsory arbitration in the last House FAA reauthorization bill. The compromise language we negotiated with the other body last year closely aligns with language that the Senate approved 93-0. Ensuring mediation and binding arbitration until an agreement is reached is not a partisan issue, and I believe that we must provide the agency with a path forward on labor-management impasses. Mr. Chairman, I strongly believe we must not go backwards on the progress that has already been made on labor-management relations in previous Congresses and at the FAA; I am hopeful we can work together on this.

➤ Finally, last December, the Co-Chairs of the “Deficit Commission” noted that from 2002 to 2005 the Federal government experienced a marked increase in contractor services, and recommended that the government reduce the number of non-defense contractors. The Commission’s findings and recommendations highlight the impact of contractors on the Federal budget deficit. Going forward, as this Subcommittee identifies opportunities to streamline federal processes and make cuts in the FAA’s budget, I am opposed to efforts that promote outsourcing of government functions, particularly where we do not have strong evidence that doing so would be fiscally responsible or when these functions involve safety and security.

- We all have a strong vested interest in seeing a comprehensive, long-term FAA reauthorization bill passed and I want to again reiterate my commitment to work with you Mr. Chairman and members of this subcommittee to deliver a strong, balanced, bipartisan FAA reauthorization bill. I want to ensure that the bill we produce continues moving the FAA, our aviation system, and the nation forward - and does not set us back.

- Thank you Mr. Chairman. I look forward to hearing from our distinguished witness panel.