

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, MAY 16, 2013.

Chairman LoBiondo, Congressman Larsen, Members of the Subcommittee:

Thank you for the opportunity to speak to you today. When we last met to discuss the subject of this hearing in February, the focus of our conversation was, understandably, not on the subject of the hearing, but rather on the anticipated effects sequestration would have on Federal Aviation Administration (FAA) employees and services. Since that time, Congress passed a law that provides FAA with the flexibility to transfer funds of up to \$253 million in fiscal year 2013. The newly enacted transfer authority provides FAA the ability to end the furlough of our employees across the country and restore normal operations in the National Airspace System (NAS). Nonetheless, we remain obligated to cut \$637 million from FAA's budget by the end of the fiscal year. As a result, other, significant spending restrictions remain in place, such as a hiring freeze, limitations on travel and training, and cancelling or modifying certain contracts. These restrictions will, undoubtedly, have long term impacts on the agency and airports which we must continue to try to mitigate. The immediate effects on air traffic that were felt across the country as a result of the furloughs are now over. Since some of the funding used to end the furloughs came from planned airport construction projects, we must make sure that these critical projects can still proceed. We are working with airports now to determine which projects can be funded this year and which may be delayed.

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 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 these goals are vital to FAA's ability to continue leading the world in aviation safety and innovation.

The Federal Aviation Reauthorization Modernization and Reform Act of 2012 (Reauthorization) was enacted into law on February 14, 2012. 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 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.

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, although we recognize that may mean some deadlines are not met.

### Safety

Safety is FAA's number one mission, and 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 safety interventions smarter through risk based approaches. The best way to prevent accidents before they happen is to accurately identify risk areas and work to mitigate them. That is one 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 incident 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 improve the level of safety in our aviation system, by providing us with additional data and incident information that we may not have had access to previously. 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 (New Pilot Certification and Qualification Requirements) by August 2013 and pilot training (Qualification, Service, and Use of Crewmembers and Aircraft Dispatchers) by October 2013.

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. We published the report on Research and Bird-Detecting Radar. In the upcoming weeks, we expect to issue reports on the 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 improve the efficiency of our Nation's airspace through our work with Optimization of Airspace and Procedures (OAPM) initiatives, which are being done in close collaboration with industry and stakeholders. OAPM work has begun 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 an additional site (Washington, DC) planned to start implementation of additional new procedures later this fall. We continue to assess the best way forward to produce benefits at metroplex sites in light of sequestration impacts. 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 about 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. FAA has an initial set of NextGen metrics available on our websites and expects to publish additional performance in the coming months. On our NextGen Performance Snapshots (NPS) site we are making the information more robust in order to better report on performance as a result of NextGen implementation.

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 will be issuing guidance for AIP funding eligibility that supports the importance of sustainability initiatives in the way that airports do business, in 2013. We have also initiated a new study on the National Plan of Integrated Airport Systems (NPIAS), 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, 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 (JPDO) 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, 22 have been implemented and 14 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 requirements, technician staffing, air traffic controller staffing and air traffic training and scheduling. As required by law, the FAA submitted interim Aviation Safety and traffic Controller workforce plans to Congress on March 31, ten days prior to the FY 2014 budget submission which was sent on April 10. Due to the requirement to produce these plans by March 31, 2013, the workforce plans do not reflect the effects of sequestration, as modified by the recent change to FAA budget reprogramming authority. In addition,

the reports do not reflect the restrictions in place as a result of sequestration, such as the hiring freeze and reduced contract training support and travel. 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 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. We are also looking at ways to restructure our small airplane certification rules so new safety standards and technologies can be introduced more quickly while, at the same time, we reduce the overall costs of certifying general aviation airplanes. 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 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. 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. As part of our ongoing efforts to reduce our costs, we had set a target of \$91 million in cost savings for fiscal year 2013, including aggressive targets for IT spending reductions and strategic sourcing initiatives. As you can see, cost savings are part of our ongoing program and are helping us meet cuts needed for sequester. However, larger cuts as a result of sequestration are challenging and will have impacts to the maintenance of the NAS, certification of new systems, and the development of NextGen programs.

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 programmatic and funding 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, and unfortunately the current sequester also reintroduces the uncertainty that we had hoped the passage of reauthorization would address. 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. Even without furloughs, funding restrictions are preventing us from hiring and training our next generation workforce and are forcing us to rely on employee attrition to meet required deficit targets. Identifying and implementing processes that help us do more with less is always a valuable exercise, but our ability to meet the long-term goals of reauthorization will be in jeopardy.

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