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**BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION AND
INFRASTRUCTURE – SUBCOMMITTEE ON AVIATION**

ON FAA REAUTHORIZATION

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Chairman Mica, Congressman DeFazio and members of the Subcommittee, thank you for inviting us to testify today on the reauthorization of the Federal Aviation Administration (FAA). Professional Airways Systems Specialists (PASS) provides exclusive representation for more than 11,000 of the FAA's Systems Specialists, Flight Inspection Pilots, Procedures Development Specialists, Aviation Safety Inspectors and safety support staff. Our members install, maintain, troubleshoot and certify this country's air traffic control (ATC) system; they inspect, provide oversight through surveillance and enforce aviation regulations throughout the commercial and general aviation industries; and they flight check ground-based systems, develop approach and departure procedures and perform quality analyses of aviation systems.

The entire aviation industry is experiencing one of the most challenging periods in its history. Major airlines are struggling just to survive as the industry itself is recovering from the aftermath of September 11 amidst a slow economy. As the industry recovers, modernization of the National Airspace System (NAS) will be crucial to ensuring that we do not return to the gridlock we had two years ago. PASS believes that strong funding for the operations and facilities and equipment programs is critical to ensuring the nation's aviation system operates smoothly, efficiently and, most of all, safely.

Air Traffic Services (ATS)

NAS Modernization Skills

Three years ago, PASS briefed this Subcommittee on the need to change the way technical training is provided to the FAA Systems Specialists charged with maintaining and certifying the NAS. PASS was excited that our new collective bargaining agreement contained provisions that would actually facilitate NAS modernization. Our agreement was intended to change the nature of the work and accommodate new technologies. To accomplish this, a new method of providing skills to the workforce was developed to replace the FAA's centralized, quota-driven training method, which is too costly in both time and money. The PASS-FAA model is based on need – the training goals align with the business goals of the agency. Because the Agency is relying more on commercial-off-the-shelf (COTS) systems, the 'core skills' identified in the model are based on industry standards. And because the training is commercial, it is available locally, which will save valuable funds that would otherwise be spent on course development and travel.

The PASS-FAA model is similar to those successfully used in the private sector. In January of this year, the General Accounting Office (GAO) published the results of its study concerning private-sector practices for training information technology (IT) and non-IT professionals (e.g., business managers and other staff needing IT training). According to GAO, "The rapid pace of technological change, with its potential to transform the way the government delivers services, makes information technology (IT) human capital a critical issue for federal agencies."¹ With this in mind, the study examined private-sector companies recognized for their effective and innovative IT training programs and provided models and examples for federal agencies. According to GAO's review of private-sector practices, training should not be a support function, but a strategic element in achieving corporate objectives.

¹ General Accounting Office, "Information Technology Training: Practices of Leading Private-Sector Companies," January 2003, p.1.

Two years after working with the FAA to implement perhaps the most innovative training program in the federal government, PASS must report little progress. Early on there was tremendous resistance from the FAA's own training bureaucracy. But this was expected. What was unexpected, however, is the opposition that we still encounter from Airway Facilities (AF), the very organization that would benefit most from the training program. While FAA Administrator Marion Blakey and AF Director Steve Zaidman have been supportive, many other managers, including some who report directly to Mr. Zaidman, have been less than cooperative, repeatedly throwing obstacles in the way. Considering the lack of progress to date and the constant bureaucratic push back to a centralized, quota-driven system, PASS believes an additional 1,000 Systems Specialists are needed to maintain the NAS. Additional staffing, however, will not eliminate the need to re-skill the workforce.

PASS is proud of the training plan we developed collaboratively with the FAA; we are frustrated that the FAA does not seem to share that pride. We believe it is a model that would prove beneficial to others in the federal government. To ensure the FAA keeps pace with its own technological advances, and because training the AF technical workforce is crucial to NAS modernization, PASS will continue to work with AF in an attempt to truly bring this training model to fruition. We realize centralized training cannot be eliminated altogether, but we ask this Subcommittee to instruct the FAA to make local 'core skills' training a priority and that this Subcommittee authorize funding to ensure it will happen.

Information Security

Securing the ATC computer systems that provide information to controllers and flight crews is critical to the safe and expeditious movement of aircraft.² Had the security of the NAS been compromised at the time of the September 11 attacks, the ability to safely land more than 4,500 aircraft within hours may have been lost. Security issues must be addressed with technology, policy and training. To protect the integrity of the NAS, the FAA must take Information Systems Security (ISS) very seriously.

The FAA does not apply ISS consistently or properly, taking a piecemeal rather than NAS-wide approach to security. This practice leads to individual systems being deployed in a networked environment without proper security, password protection or security training for the Systems Specialists charged with maintaining them. These problems are the direct result of program offices independently developing their own security controls and the lack of necessary security requirements in contracts.

The NAS is a complex mix of legacy equipment interfaced with more advanced COTS systems, many of which have known vulnerabilities. Advanced technologies can dramatically increase the efficiency of the NAS by improving processing capability, functionality and information flow. This is done, in part, through increased interconnectivity between systems. In turn, this increases the susceptibility of those systems to intrusion by outside entities.

Appropriate security measures must be in place and employees must be trained with the proper tools and skills. Without proper security and training, breaches in security may not be detected, potentially resulting in the loss of essential data and service disruptions. Security incidents that are discovered may take an unreasonable amount of time to isolate and correct.

² FAA, Office of Information System Security, "Program Management Plan, Version 1.0," August 29, 2000.

The FAA is not prepared for an attack on its information systems and, therefore, cannot ensure the integrity of the NAS. PASS asks this Subcommittee to direct the FAA to set aside adequate resources to ensure that the tools and training necessary to secure the NAS are provided. Given the seriousness of this issue, PASS also believes that the FAA should be required to brief this Subcommittee, at least annually, on its progress in this area.

Contracting Out

PASS is strongly opposed to the administration's plan to contract out safety-related work to the private sector. As this Subcommittee knows, agencies have been directed to open for competition 15 percent of the jobs in their Federal Activities Inventory Reform (FAIR) Act inventories this year and 50 percent by 2006. In the most recent release of the FAA's 2002 FAIR Act inventory, over 3,500 positions from PASS bargaining units are listed as commercially competitive. Of these, approximately 1,000 may be subject to immediate cost comparison. PASS believes that the administration's one-size-fits-all outsourcing quotas, which give no consideration to the uniqueness of each agency, will harm the FAA's ability to effectively carry out its mission of ensuring aviation safety.

The NAS cannot be divided into individual components, just as the work of those responsible for maintaining it cannot be contracted out as independent functions. The NAS is an integrated arrangement of thousands of distinct systems, regulations, procedures and people. Intercommunication between all aspects of the NAS is essential in order to accomplish one of the most complex missions in the world – ensuring our country's ability to safely and efficiently monitor and control aircraft.

Today's contractors are only responsible for their "piece" of the system – they are unable to support the intercommunication so vital to maintaining the safe functioning of the NAS. It is simply not possible for a contractor to understand the effect they can have on the whole system and on the safety of the flying public.

Systems Specialists, on the other hand, are not limited to a single task or to a single system. They can – and do – perform their work everyday without losing sight of the big picture. Systems Specialists are end-to-end service providers regardless of vendor or system, ensuring that the complicated, interconnected systems are operating efficiently and safely. Furthermore, they answer to the people they work for – the flying public – not to a corporate board only interested in profit.

Some say we should try to mirror other countries in their privatization efforts. However, none of them have as complicated or as safe a system as ours, and their privatized air traffic control systems have had less than spectacular results. The bottom line is that Systems Specialists install, maintain and certify the safest air traffic system in the world. The events of September 11 highlight the failure of using contract personnel for airport security, and demonstrate the inherent weakness of allowing commercial profit to override public safety.

PASS believes that jobs that protect the public interest cannot be safely privatized. Therefore, we urge this Subcommittee to include language in the FAA reauthorization bill that would prevent the administration from contracting out the operations, maintenance and oversight of the air traffic control system.

Office of Regulation and Certification (AVR)

Oversight and Surveillance

PASS represents approximately 2,800 Flight Standards Field Inspectors and 150 Manufacturing Inspectors. Together, these highly skilled individuals are responsible for certification, education, oversight and enforcement of the commercial and general aviation industries. This includes approximately 2,000 manufacturers of aircraft and aircraft component parts, 7,000 air operator certificates, 6,000 air agency (repair station) certificates, 240,000 aircraft, 637,000 active pilots, 400,000 non-pilot personnel, 83,000 flight instructors and over 30,000 designees. Due to the state of the economy and increased demands on the Inspector workforce, however, Inspector staffing is not adequate to provide sufficient safety oversight. The following highlight the events and conditions contributing to PASS's request for additional Inspector staffing.

- Financially troubled airlines: FAA Orders require Inspectors to increase oversight of financially troubled airlines, including any airline that has significant layoffs of personnel, major changes in route structure or increases in repeat maintenance logbook discrepancies. Air carriers have struggled in the past two years with the slumping economy and higher security costs in the wake of the 2001 terrorist attacks. These conditions are increasing the number of financially challenged airlines and, correspondingly, the need for more Inspectors to satisfy FAA requirements.
- Regional airlines: The industry's current efforts to provide more cost-efficient air carrier services has led to an increase in regional airlines that fly short-haul operations and use more fuel-efficient aircraft. According to the Regional Airline Association, regional airlines carried approximately 82.8 million passengers in 2001, more than double the passengers carried in 1991.³ The increase of regional airlines dramatically raises the number of commercial operator certificates, puts more aircraft and aircrews in the system and increases the demand on repair facilities – all contributing to the need for more oversight by the FAA.
- Repair stations: DOT Inspector General Kenneth Mead recently testified before this Subcommittee that in 1996 major air carriers spent \$1.6 billion (37 percent of their total maintenance costs) for outsourced aircraft maintenance. In 2001, this amount had increased to \$2.9 billion (47 percent of their total maintenance costs). The increased demand on repair stations calls for an equivalent increase in Inspector staffing, and Mead's testimony cautions the FAA to pay close attention to the level of oversight it provides for repair stations.
- Aging aircraft: The FAA recently issued regulations in response to the Aging Aircraft Act of 1991 that require aircraft to undergo inspections and records reviews by an Inspector after the fourteenth year in service and at specified intervals thereafter to ensure the adequate and timely maintenance of an aircraft's age-sensitive components. More Inspectors are necessary in order to ensure the continued airworthiness of aging aircraft and to satisfy this requirement.
- Air Transportation Oversight System (ATOS): Mandated by Congress in the wake of the ValuJet crash, the 90-Day Safety Review identified the need to significantly increase Inspector staffing and reevaluate safety oversight procedures. In response to this, the FAA

³ Regional Airline Association, "Fact Sheet," April 12, 2002, <http://www.raa.org/whoweare/whoweare.htm>

developed the Air Transportation Oversight System (ATOS), a “system safety” approach to oversight of the air carrier industry. ATOS aims to ensure that airlines comply with FAA safety requirements and that they have operating systems to control risks and prevent accidents. Unfortunately, ATOS has never been fully implemented. When ATOS is implemented in all Part 121 air carriers, according to the FAA’s own estimation, the Agency will have a staffing shortfall of approximately 259 Inspectors. As a result of attrition and the Agency shifting money to other priorities, Inspector staffing has now declined to numbers approximating those prior to the ValuJet accident. PASS is concerned that insufficient staffing, inadequate training, data analysis problems and lack of commitment by FAA management will continue to hamper full implementation of ATOS.

Increased Inspector staffing is necessary to meet the demands required to oversee a financially distressed industry, to increase aging aircraft inspections, to fully implement ATOS and to provide all of the current oversight responsibilities. Disappointingly, the President’s FY 2004 budget proposal requests only \$3 million to hire an additional 20 aviation safety staff. Therefore, we ask this Subcommittee to authorize the hiring of 300 additional Flight Standards Field Inspectors, 30 safety support staff and 50 additional Manufacturing Inspectors each year for the next three years.

Training

The aviation industry introduces new technology at a rate far in excess of the FAA’s willingness to provide training on that technology (e.g., advanced avionics and automation, new composite materials for aircraft and aircraft parts, new hydraulic systems, new procedures in air carrier pilot manuals, etc.). Thus, while Inspectors come to the Agency skilled in state-of-the-art technology, that expertise becomes quickly outdated. In addition, with the exception of a relatively small number of Operations (pilot) Inspectors, Inspectors are not required to remain current in their areas of expertise. For the most part, any required FAA training Inspectors receive is administrative in nature (e.g., how to fill out paperwork or apply regulations). When technical training is provided, it is commonly six to ten years behind the industry standard.

Contributing to this problem is the FAA’s unwillingness to utilize commercially available training, even though the best training on state-of-the-art technology is only available commercially. When commercial training is utilized by the Agency, it is conducted on a centralized rather than local basis. For example, Operations Inspectors in Los Angeles, California, who need training on a B-747 must obtain that training in Minneapolis because the FAA has contracted with Northwest Airlines to provide that training. However, B-747 training is available in Los Angeles and local training would provide significant cost savings to the Agency. The FAA’s approach to training is not only extremely costly, but it does not take full advantage of the benefits of employing locally available commercial training.

Aviation safety is dependent on Inspectors receiving technological training on the most up-to-date equipment available. Therefore, PASS asks this Subcommittee to direct the FAA to implement regulations that require all Aviation Safety Inspectors be current and qualified in the aircraft and/or specialties for which they have regulatory oversight responsibility. We also ask this Subcommittee to direct the Agency to acquire local technical training from commercial sources when available.

Designees

A designee is a private individual or company serving as a representative of the FAA and authorized by law to examine, test and/or conduct inspections necessary for the issuance of a certificate (e.g., airmen, airworthiness, etc.). In the beginning, the designee program worked by allowing experienced industry personnel – who had developed a working trust with FAA Inspectors – to take on some of the more repetitive types of certification activities. Unfortunately, as the program expanded over the years, the amount of experience and trust diminished while the number of designees soared.

The creation and subsequent expansion of the designee program is a result of the Agency attempting to compensate for inadequate Inspector staffing. Instead of hiring additional Inspectors to offset increases in work, the FAA simply appoints more designees. This unbalanced system has resulted in an unmanageable number of designees – over 30,000 for Flight Standards and over 2,000 for Manufacturing Inspection District Offices (MIDO) – that makes oversight nearly impossible. Furthermore, since designees are not FAA employees and are either self-employed or employed by airlines, repair stations, manufacturers, etc., they are paid by the very entity that is seeking their approval. This system of designees, acting on behalf of the FAA and paid by the industry, has resulted in the industry overseeing itself.

Consider the recent evidence that the crash of Swissair Flight 111 – which killed 229 people in September 1998 – was attributable to a lack of designee oversight by the FAA.⁴ The findings indicate that the Agency did not detect problems with the design of an interactive entertainment system used in the aircraft because no one directly employed by the FAA reviewed the system's design or installation plans, supervised the installation or signed off on any work. Instead, that work was done for profit by a company that the FAA authorized to approve airplane modifications on its behalf – individual Designated Engineering Representatives – and a corporate Designated Alteration Station.

Despite having no training requirements, designees are responsible for the same types of inspections as those performed by Inspectors. While some designees are required to hold a certificate (e.g., Designated Maintenance Examiners must hold an Airframe and Powerplant certificate), most designees only need to submit an application and are not required to demonstrate their experience or training. It takes three to five years for a qualified FAA Inspector to be considered at full performance level. Designees need only attend a biannual standardization seminar on how to fill out paperwork.

Furthermore, designees are not held to any guidelines that require them to perform work to a specific standard. For example, soon after September 11, PASS learned that the Saudi citizen Hani Saleh Hanjour, believed to have flown a hijacked airliner into the Pentagon, obtained three US Airmen certificates without ever being examined by an FAA Inspector. Instead, designees allowed Hanjour to train in jet passenger aircraft at an Arizona flight school and, despite having what instructors later described as limited flying skills and an even more limited command of the English language, issued his US Airmen certificates. Even more alarming, since there are no standards that designees are held accountable to, the designees that certificated Hanjour are still on the job!

⁴ Gary Stoller, *USA Today*, “Doomed plane’s gaming system exposes hole in FAA oversight,” February 17, 2003.

PASS is also concerned that the FAA's current plans to create "organizational designees" for MIDO will further decrease FAA oversight. Presently, the work of manufacturing designees is reviewed only 8 hours per year. Due to the workload imposed by that small amount of oversight, the FAA wants all companies with multiple designees to establish "organizational designees," where the company itself is responsible for appointing, training and overseeing its own designees. On paper, organizational designees would reduce FAA oversight from 8 hours per year, per person, to 20 hours per year for the entire company. Therefore, a company with five designees – that would have normally received 40 hours of oversight – will now receive only half that amount.

PASS asks this Subcommittee to address the growing designee problem by directing the FAA to implement regulations requiring designees to demonstrate their technical proficiency to FAA Inspectors annually. This should include direct observations of designees actually performing their functions. We ask that the regulation also place limits on the ratio of designees to FAA Inspectors that do not exceed 7:1 for individual designees or 4:1 for company designees. This ratio should be based upon the actual number of Inspectors having direct oversight of the designees.

Contract Negotiations

In 1996, Congress granted the FAA personnel and acquisition reform. As a result, FAA employees were removed from coverage under most provisions of Title 5. This required the FAA to develop a new personnel system for its employees and bargain with its unions over this new system. This move was intended to give the FAA the flexibility to operate more like a business and to modernize more quickly. Unfortunately, seven years later, personnel reform has still not been implemented in four of the five bargaining units PASS represents due to the lack of new contracts. As a result, morale is at an all-time low and the Agency is unable to realize cost savings that would have resulted from negotiated contracts. While our Inspectors should be focused on safety, particularly when so many carriers are in financial distress, the FAA's inaction has left them focused on the outcome of contract negotiations.

In the Federal Aviation Reauthorization Act of 1996, Congress established a mediation process for resolving bargaining disputes. That mediation process does not provide for binding resolution. Instead, the Administrator may either unilaterally impose a settlement after submission to Congress or choose not to act at all. PASS would like this Subcommittee to include language in the FAA reauthorization bill that would amend Title 49, Section 40122(a) (2), to require that if the parties cannot reach agreement with assistance from the Federal Mediation and Conciliation Service, the outstanding issues in dispute will be resolved by the Federal Service Impasses Panel under Title 5, Section 7119.

Regional Consolidation

As stated earlier in our testimony, and as DOT Inspector General Kenneth Mead testified before this Subcommittee, the FAA has not met the goals of personnel reform granted to the Agency in 1996. As a result, the FAA has not realized the cost savings and efficiency that FAA reform was intended to deliver. PASS believes that streamlining regional operations would help the Agency achieve some of the cost-saving goals envisioned with personnel reform.

The FAA is currently structured into nine FAA regional offices, each a discrete “fiefdom” – an independent center providing services such as human resources management, financial management, cost reporting, information resource management, procurement and supply management, property administration and various logistical support functions to employees and managers within a limited geographic boundary. Regional offices all perform the same administrative functions but operate under different, regionally based policies and processes. The effect of this is inconsistent types and levels of services provided to managers and customers from one region to the next, often causing them to “region shop.”

For example, there is a human resources management (HRM) office in each of the FAA’s nine regions. In addition, the “line” offices (e.g., Air Traffic, Flight Standards and Airway Facilities Divisions) also operate their own unique HRM branch within each region, variously referenced as “Resource Management” or “Administrative Services.” These branches provide redundant HR services to their own divisions and their field facility managers and employees. Therefore, nationwide, there is a total of nine distinct regional HRM divisions and 27 distinct branches, in addition to the headquarters’ HR bureaucracy. Each branch or division provides what should be similar services to their customers, but the services are in fact inconsistent, requiring different processes and resulting in major duplication and overlap at great cost to the American taxpayer. The FAA has not addressed these very costly regional redundancies, and the costs are escalating substantially every year with greater inefficiencies in regional operations.

FAA regional consolidation should be an integral part of the agency’s efforts to become more productive and efficient. With limited resources and funding, the FAA must address the elimination of unnecessary bureaucratic layers, move those employees to the field where they are needed, thereby increasing the size of the workforce providing services to citizens. In 1997, the National Civil Aviation Review Commission estimated that consolidating from nine to three FAA regions would have resulted in savings of approximately \$400M through FY 02.⁵ The development of an actual implementation plan must be required of the FAA in order to “reshape the organization” to become more efficient. Therefore, we ask that this Subcommittee direct the Administrator, in collaboration with affected employee unions, to develop a plan for restructuring/consolidation.

Thank you for inviting PASS to testify today. We appreciate the opportunity to speak on behalf of strong funding for the FAA’s operations and facilities and equipment programs, and to present our concerns and ideas. PASS looks forward to working with this Subcommittee and the FAA on these all-important reauthorization issues.

⁵ National Civil Aviation Review Commission, “Potential Cost Savings Ideas for FAA and Users,” June 4, 1997, p. 4.