



MEMORANDUM

TO: Government Affairs Steering Group
Government Affairs Committee

FROM: ACI-NA Government Affairs

DATE: February 28, 2008

SUBJECTS: 1) Senate Commerce Hearing on President's FY2009 DOT Budget
2) House Science Energy and Environment Subcommittee Hearing on
Aviation Weather Service Restructuring
3) DOT Convenes First Task Force Meeting to Develop Model
Contingency Plans

GA MEMO NO: 2008-12

1) Senate Commerce Hearing on President's Proposed FY 2009 DOT Budget

On Thursday, February 28, 2008, the full Senate Committee on Commerce, Science & Transportation held a hearing to review the President's proposed Department of Transportation (DOT) budget for Fiscal Year 2009 (FY09).

Witness List:

- The Honorable Mary E. Peters
Secretary of Transportation
- Mr. Robert Sturgell (did not testify / answered questions only)
Acting Administrator, Federal Aviation Administration

Opening Statements:

In his opening statement, Chairman Daniel Inouye (D-HI) addressed the state of transportation in America. He noted the importance that all modes play in moving goods and people and that our world-class system is showing its age. In addition, the Chairman remarked that airports are at their capacity and expressed frustration regarding the

Administration's proposed budget cuts to airport infrastructure programs that benefit the economy and traveling public. To read his full opening statement, please click here: http://commerce.senate.gov/public/index.cfm?FuseAction=PressReleases.Detail&PressRelease_id=249075&Month=2&Year=2008

Senator Ted Stevens (R-AK), the Ranking Republican Member of the Committee, focused on his frustration with the proposed cut to the Essential Air Service (EAS) program. He spoke about the importance of EAS to his home state and believes the cut from \$110 million to \$50 million is untenable from a number of important perspectives.

Senator Frank Lautenberg (D-NJ) noted that 1 in 4 flights were delayed last year and that this figure will likely only get worse. Senator Lautenberg also commented on understaffing issues within the ranks of air traffic controllers.

Senator Byron Dorgan (D-ND) used his opening statement to highlight the 22% cut in AIP and an over 50% cut in EAS; he referenced these cuts as a lack of investment in America's future.

Finally, Senator John Rockefeller (D-WV), Chairman of the Senate Aviation Subcommittee, expressed his frustration with the lack of progress in the FAA reauthorization process, stating that the aviation system is clearly at its breaking point. The Senator blamed the demise of the Senate FAA reauthorization on efforts made by the general aviation community and predicted that no reauthorization bill would be completed this year. Specifically, he stated, "There isn't going to be an FAA bill this year, that is my prediction. I think that's incredibly unfortunate. Based upon the general aviation community's inability to compromise I expect that there will not be an FAA bill this year. We can't work it out . . . because they're making all kinds of phone calls and their owners have all kinds of money."

Testimony:

Secretary of Transportation Mary Peters focused on the FY09 Budget and thus her testimony touched on all modes of transportation, not just aviation. She discussed the \$68.2 billion figure proposed for the DOT budget, \$14.6 billion of which is for the Federal Aviation Administration (FAA). She also discussed the \$688 million for Next Generation Air Transportation System (Next Gen) technologies and funding to hire and train an additional 306 air traffic controllers. The Secretary then noted that the Administration is again proposing a "hybrid cost approach" that would raise revenues to pay for the required investment in our aviation infrastructure which will need to handle two to three times more traffic than what resulted in a the much-delayed system last year. Finally, the Administration's budget proposal re-submits its FAA reauthorization plan.

Questions:

Senator Stevens used his time to address the proposed cuts to the EAS program. He asked the Secretary how she proposed to keep the program running with the reduced

funding proposed by the Administration. The Secretary answered by indicating that Alaska's EAS needs would be addressed. Later in the hearing, when addressing a similar question from Senator John Thune (R-SD), Peters argued that the Administration will be looking to potentially reduce service to communities which are within driving distance of a major airport. The Secretary offered Hagerstown, MD as one example of such a community.

Senators Thune, Amy Klobuchar (D-MN), and Stevens all asked about DOT's policy and procedures regarding airline mergers. All of the Senators expressed concern over the impact that these potential mergers could have on service, options, and prices in smaller communities and the traveling public as a whole. The Secretary replied by saying that the DOT serves in an advisory role to the Department of Justice when considering potential mergers and would evaluate any merger by considering the impact on consumers and safety.

Senator Claire McCaskill (D-MO) addressed the issue of non-FAA certified foreign repair stations. The Senator is concerned about safety issues, the loss of U.S. jobs, and the cost associated with inspecting foreign stations on the American taxpayer. This issue has been a very important topic to the Senator throughout her first term in office.

Senator Lautenberg used his time to raise safety issues associated with the new air space redesign in New York and New Jersey. Lautenberg noted concerns by air traffic controllers dealing with the new departure procedures at Newark and LaGuardia. Acting Administrator Bobby Sturgell assured the Senator that the controller's concerns would be addressed and expressed confidence in the safety of the new design. Senator Lautenberg also discussed staffing shortage issues within the air traffic controller community.

Senator Rockefeller addressed the benefits that the general aviation community receives from the FAA. He noted that the general aviation community is responsible for 16% of the cost while only contributing to about 3% of the revenue. Senator Rockefeller argued that the bill reported by the Senate Committee on Commerce, Science & Transportation fairly allocates the costs to users and provides sufficient funding for NextGen. Acting Administrator Sturgell and Secretary Peters favor Rockefeller's bill and a cost based system.

Senator John Sununu (R-NH) provided a differing perspective by arguing on behalf of general aviation. He favors the Senate Finance Committee proposal that would increase the fuel tax for general aviation, as he believes it would make the general aviation contribution more proportional and fair.

2) House Science Subcommittee Hearing on Aviation Weather Service Restructuring

On Tuesday, February 26, the House Science Subcommittee on Energy and Environment held a hearing on the GAO's recently released report entitled, "*Aviation Weather: FAA is Reevaluating Services at Key Centers; Both FAA and the National Weather Service Need to Better Ensure Product Quality.*" (<http://www.gao.gov/new.items/d08258.pdf>) Witnesses included David Powner (GAO) and Eugene Juba (FAA).

Last year, Members of the House Science Committee asked the GAO to evaluate the progress FAA and the National Weather Service (NWS) were making toward restructuring the delivery of aviation weather services. This process began in 2005 with FAA's request that NWS restructure its aviation weather services to consolidate offices, provide remote services, and reduce the annual cost of providing services by \$2 million. The GAO completed its review in December and reported on its findings during the Subcommittee hearing.

In its report, GAO criticized the FAA and NWS for failing to establish a reliable performance metrics and oversight responsibility for the weather services provided by center weather service units (CWSU). During the hearing, GAO also questioned whether the FAA and the NWS will be able to meet their goals for restructuring the way weather information is gathered and delivered to pilots.

The FAA has requested NWS to submit plans for new operational concepts, from which FAA will select in August. The three options include improve service and maintain the configuration at the CWSUs (90 day transition period); provide remote services through a reduced amount of regional facilities (180 day transition period); or provide remote services through a single centralized facility (1 year transition period).

3) DOT Convenes First Meeting Of Task Force To Develop Model Contingency Plans

On February 26, the first meeting of the Department of Transportation (DOT) National Task Force To Develop Model Contingency Plans To Deal With Lengthy Airline On-Board Ground Delays ("Task Force") was held in Washington, DC. Attending the meeting on behalf of the airport industry were George Doughty/ABE, Ben DeCosta/ATL, Jim Crites/DFW, Brad Penrod/PIT, Lysa Scully/Port Authority of New York/New Jersey (PANYNJ), Debby McElroy/ACI-NA, Dick Marchi/ACI-NA, Leo Schefer/Washington Airports Task Force and Gwen Papineau/AAAE.

The Task Force Chairman is Sam Podberesky, DOT's Assistant General Counsel for Aviation Enforcement and Proceedings; the Vice Chairman is Kirk Shaffer, FAA Associate Administrator for Airports. Podberesky began the meeting by emphasizing that the Task Force is chartered under the Federal Advisory Committee Act and all meetings are open to the public and must be announced in the *Federal Register*. Additionally, minutes from the meeting and all presentations will be available for public inspection. He also indicated that while the Task Force is chartered through the end of 2008, the goal is to have a model plan(s) by review by Secretary Peters by the end of the summer.

Scott Macey, with the DOT Office of the Inspector General, presented information on their report issued in September 2007 on long on-board delays. The report included numerous recommendations including the establishment of the Task Force. He also discussed the DFW September 2007 and ACI-NA January 2008 Irregular Operations meetings. ACI-NA distributed a summary of the presentations of the January meeting.

Kate Hanni, with the Coalition for an Airline Passengers' Bill of Rights, also reiterated the value of the ACI-NA seminar for fostering airport and airline cooperation to ensure passenger needs are met. She singled out DFW, ATL, the PANYNJ and SFO for their voluntary actions in this area. However, the Coalition strongly believes that DOT must set minimum standards for the contingency plans, the plans must include the option of deplaning after three hours and must be enforceable under DOT civil penalty regulations.

Gary Edwards, with Delta Air Lines and Robert Muhs, with Northwest Airlines, presented detailed information on their airline's programs to reduce irregular operations and to mitigate the impact of ground/tarmac delays for customers. Both airlines strongly oppose any mandated hourly standard for deplaning passengers.

Jim Crites discussed the DFW irregular operations planning process, including pre-planning, training, execution and debrief (lessons learned)/planning/training. He also emphasized the commitment from top management to coordinate with all departments and stakeholders.

The final presentation by Michael Collins covered the needs of passengers with disabilities. He indicated that 20 percent of all passengers have a disability which may or may not be apparent, but it is critical to ensure that water and medication requirements are met. Additionally the needs of service animal issues and communication challenges were also discussed.

The next meeting of the Task Force is tentatively scheduled for April 29. The PANYNJ, FAA Air Traffic Organization, ExpressJet Airlines and the Air Line Pilots Association are scheduled to make presentations.

Please contact Debby McElroy (dmcelroy@aci-na.org) for more information or for copies of the presentations.

Please Contact ACI-NA Scott Weaver (sweaver@aci-na.org) or Paul Eubanks (peubanks@aci-na.org) with any additional questions or concerns.

