



MEMORANDUM

TO: Government Affairs Steering Group
Government Affairs Committee

FROM: ACI-NA Government Affairs

DATE: March 7, 2008

SUBJECT: 1) House T&I Chairman James Oberstar Holds FAA Safety Investigation
News Conference
2) House Budget Resolution Proposes to Restore AIP Funding

GA MEMO NO: 2008-18

1) House T&I Chairman Oberstar Holds FAA Safety Investigation News Conference

This afternoon, House Transportation and Infrastructure Chairman James Oberstar (D-MN) convened a news conference regarding the FAA's intention to collect a \$10.6 million civil penalty against Southwest Airlines for operating 46 airplanes without performing mandatory inspections for fuselage fatigue cracking

FAA's record fine alleges Southwest operated nearly 60,000 flights in 2006 and 2007 using 46 planes that had not been inspected for possible fatigue-related cracking on the fuselage areas. Southwest officials argue the airline complied with regulators' requests and would contest any penalty.

According to the Committee's investigation, Oberstar stated that Southwest Airlines also failed to comply with mandatory inspections of critical rudder control systems on 70 Boeing 737 aircraft. The House Transportation and Infrastructure Committee is calling upon FAA to address these violations in a separate enforcement action independent of yesterday's proposed civil penalty.

Oberstar noted "what our investigation found is the most serious lapse in safety I have been aware of at the FAA in the past 23 years." Additionally, Oberstar expressed concern that "complacency may have set in at the highest levels of FAA management, reflecting a pendulum

swing away from vigorous enforcement of compliance, toward a carrier-favorable, cozy relationship” Oberstar went on to add that FAA “needs to clean house” and “hire more inspectors, and give them a safety mission.”

In response to the Oberstar’s press conference, House Transportation and Infrastructure Committee Ranking Member John Mica promised that the Committee would look into the Southwest matter further during a scheduled hearing on April 3. Additionally, Mica expressed concern that Congress is playing politics by refusing to confirm an FAA Administrator. According to Mica, “We have no permanent Administrator in place to make certain that protocols are followed and proper oversight is conducted to prevent similar incidents in the future”

2) House Budget Resolution Proposes to Restore AIP Funding Cuts

As we reported earlier in the week, the House Budget Committee marked up and approved its Fiscal year 2009 (FY09) Budget Resolution. Although this plan is non-binding, it proposes to restore funding to many programs that were cut by the President in his budget proposal. One such program was the Airport Improvement Program (AIP), as the funding levels proposed in the House FAA Reauthorization bill (\$3.8-\$4.1 billion over 4 years) were included. Following this, House Transportation and Infrastructure Chairman James Oberstar (D-MN) stated, “I am extremely pleased that the fiscal year (FY) 2009 Budget Resolution, approved by the Committee on the Budget, recognizes the critical importance of meeting our nation's infrastructure investment needs, even while achieving a balanced budget by 2012.” Regarding the AIP funding restoration, the Chairman said, “This funding will allow the AIP program to keep pace with inflationary cost increases, and begin to address the investment gap in airport safety and capacity needs.”

The Senate Budget Resolution provides \$6.5 billion to fully fund highways and to increase funding for the Airport Improvement Program. According to Senate Budget Chairman Kent Conrad, the “This investment will create jobs; improve economic growth, and help reduce traffic and airport delays”

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

