

**OPENING STATEMENT OF
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NEXTGEN: THE FAA'S AUTOMATIC DEPENDENT SURVEILLANCE – BROADCAST CONTRACT
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I want to thank Chairman Costello and Ranking Member Petri for calling today's hearing on *NextGen: The FAA's Automatic Dependent Surveillance – Broadcast Contract*. Mr. Chairman, for the last several months we have all heard a lot about the Next Generation Air Transportation System (NextGen) and how we need to upgrade our antiquated radar-based ATC system with new satellite-based technologies, or face gridlock and delays. Well, this summer we had gridlock and delays.

In August, the FAA awarded a contract worth \$1.86 billion to a team led by ITT Corporation to build, own, operate and maintain a new satellite-based surveillance system called Automatic Dependent Surveillance – Broadcast, or “ADS-B.” So now that the FAA has signed this contract, which would effectively turn our principal surveillance infrastructure over to the private sector, does that mean we won't have delays next summer, or the summer after that, or the summer after that? No, not really. It will still be several more summers before the ADS-B infrastructure is in place, and nationwide services are being provided, and several more summers after that before aircraft have equipped with required avionics and the system is functioning as planned.

Mr. Chairman, ADS-B is a technology that clearly has tremendous potential, and I support the FAA's decision to transition to satellite-based surveillance. For the FAA, ADS-B may offer cost savings because it requires less ground-based infrastructure to maintain, refurbish, and replace. For national airspace system (NAS) users, ADS-B could offer more safety through enhanced pilot situational awareness, additional services broadcast to the flight deck, and surveillance coverage to areas that are not now radar accessible. ADS-B is potentially much more accurate than radar, which may help the both the FAA and NAS users utilize our airspace more efficiently.

Yet, I believe that there is a perception in the public, due partly to the Administration's aggressive messaging of its financing proposal, that a new satellite-based infrastructure is the cure-all for the unprecedented delays we experienced this summer. It is time to stop the salesmanship and to start a serious exploration of what ADS-B and other NextGen programs are likely to provide and when.

First, while FAA officials have stated that ADS-B technology "is not highly complex," the Inspector General will testify today that, in fact, integrating ADS-B into the NAS will be a technically complex undertaking. And even if there are no slips in the deployment of ADS-B infrastructure, how quickly we will see tangible system-wide benefits will be determined by how quickly NAS users equip with avionics. Moreover, many of ADS-B's most advanced applications that offer users the greatest

benefits require “ADS-B In” avionics, which are not mandated by the FAA’s proposed rule.

Mr. Chairman, given the critical role envisioned for ADS-B, the FAA has delegated an enormous amount of responsibility to the private sector. Instead of adopting a more traditional acquisition strategy for ADS-B, the FAA has opted for a service contract approach, whereby the ITT team will build the ADS-B ground stations and own and operate the equipment. The FAA will pay subscription charges for ADS-B broadcasts transmitted to aircraft and ATC facilities.

The FAA believes that its approach will allow ADS-B infrastructure to be deployed five years sooner and \$820 million dollars cheaper than a more traditional acquisition strategy. Be that as it may, I am concerned that potential over-reliance on the contractor could lead to FAA’s loss of objectivity, impinging on the agency’s ability to adequately evaluate how the system is performing and how the public is being served. Under the contract, the ITT team would not only own, operate and maintain the infrastructure, but would also hold a competitive advantage, potentially even a monopoly, over new “value added services” provided over its infrastructure.

Historically, we have seen this situation before. In the 1960s and into the 1970s and the mid-1980s, the relationship between FAA and IBM in the development

of ATC technology was such that you could not tell where FAA left off and IBM began or vice versa. For a while, when IBM was the giant uncontested, that was somewhat accepted practice. But as other technology and other firms with that capability came forward with services and equipment and software to offer, and challenged that leadership role, and we began to see that FAA was losing its objectivity, FAA was losing its innovative ability separate from that of IBM, and too strong a dependence on one contractor became a detriment to the diversification of the FAA ATC technology.

When we had eventually what I called at the time a “meltdown,” when FAA/IBM proposed technology standard was going to cost billions more, may not really be achievable, that is finally when the Inspector General gave us the reaffirmation of the concerns and fears that we had. We must not repeat this again. We must ensure that there is some distance and separation between FAA and the ITT team that will keep the FAA, as Inspector General Scovel said last May, in a position of day-to-day, hands-on management.

Thank you again, Mr. Chairman, for holding this hearing. I look forward to hearing from our witnesses.