

**STATEMENT OF
THE HONORABLE JERRY F. COSTELLO
SUBCOMMITTEE ON AVIATION
HEARING ON
ATC MODERNIZATION AND NEXTGEN: NEAR-TERM ACHIEVABLE GOALS
MARCH 18, 2009**

I welcome everyone to this Subcommittee hearing on Air Traffic Control (“ATC”) Modernization and Next Generation Air Transportation System (“NextGen”): Near-Term Achievable Goals which is being conducted as one of several hearings that meet the oversight requirements under clauses 2(n), (o), and (p) of Rule XI of the Rules of the House of Representatives. This is also the first of several hearings that the Aviation Subcommittee will hold this year on NextGen covering a wide range of topics.

Everyone agrees that our ATC system must be modernized. The total number of passengers carried in U.S. airspace is approximately 740 million a year, and the Federal Aviation Administration (“FAA”) forecasts that airlines are expected to carry more than 1 billion passengers in the next 7-12 years.

Therefore, let me once again reiterate the importance of getting the FAA reauthorized as quickly as possible. H.R. 915, the “FAA Reauthorization Act of 2009” authorizes \$13.4 billion for the FAA’s Facilities and Equipment account, the primary vehicle for modernizing the national airspace system (“NAS”). These historic funding levels will accelerate the implementation of NextGen; enable the FAA to replace and repair existing facilities and equipment; and provide for the implementation of high-priority safety-related systems.

Two years ago, at a hearing on “Airline Delays and Consumer Issues,” I called upon government and industry to begin a “frank discussion about what near-term relief can realistically be provided by new technology.” Many in the industry have since expressed similar sentiments, given we will be making key transformational investments over the next few years; and industry stakeholders have expressed a desire for more details about the near-term capabilities, benefits and requirements of this new system.

In response, the FAA updated its NextGen Implementation Plan and published a NextGen Mid-Term Architecture. In addition, the FAA has commissioned RTCA to form a Mid-Term Implementation Task Force that will work with industry to prioritize which NextGen capabilities should be deployed first, and where they should be deployed first, to achieve the greatest benefits.

Regarding industry investment, it has been estimated that total NextGen-related avionics cost for aircraft operators may be between \$14 billion and \$20 billion. Near-term NextGen benefits will depend largely on how quickly operators are willing to equip. Industry stakeholders have proposed that the government partially subsidize early NextGen equipment, and the FAA has proposed that operational incentives, such as preferred routes or runway access, be given to operators that equip as soon as possible. I believe that all options should be considered by Congress.

In addition, concerns have been raised as to whether the FAA has the right in-house personnel, skills, and abilities to ensure NextGen is a success. In September 2008, the National Academy of Public Administration released a report detailing key workforce competencies that the FAA needs to strengthen. In response, the FAA plans to hire between 300 and 400 new NextGen personnel and I am interested in hearing from our witnesses on this point.

Leadership and overall organizational structure of the NextGen effort is important for successful implementation. To increase the authority and visibility of the FAA's Joint Planning and Development Office ("JPDO"), H.R. 915 elevates the Director of the JPDO to the status of Associate Administrator for NextGen within FAA, reporting directly to the Administrator. I have said numerous times that I was not pleased in May 2008 when FAA's Air Traffic Organization decided to unilaterally change the NextGen organizational structure even though this Committee's intent was made clear in our FAA Reauthorization bill.

Further, in November 2008, President Bush signed Executive Order 13479, which outlines the functions of the Secretary of Transportation and the Senior Policy Committee in the NextGen effort. I am pleased to see this affirmed the NextGen policies as outlined in "Vision 100." In addition, I firmly believe there needs to be greater White House involvement in any NextGen effort, which will require cooperative relations between multiple government agencies and industry stakeholders.

In the past, I have stated that the FAA cannot let over reliance on its contractors compromise its objectivity with regard to a contractor's performance or the protection of consumers. To ensure the safety of ATC systems, the FAA maintains a comprehensive certification program for systems used in the NAS. I am concerned about a recent change the FAA made to its certification program requiring that only FAA owned systems need certification. Given that major NextGen acquisitions, such as "ADS-B", will not be owned or operated by the FAA, I am particularly concerned that this policy change could potentially weaken the government's oversight of key systems. Therefore, Chairman Oberstar and I have asked the Department of Transportation Inspector General to review the changes that the FAA has made to its certification program.

With that, I want to again welcome all of our witnesses today and I look forward to the testimony.