

**OPENING STATEMENT OF  
THE HONORABLE JAMES L. OBERSTAR  
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AIR TRAFFIC CONTROL MODERNIZATION AND THE NEXT GENERATION AIR  
TRANSPORTATION SYSTEM: NEAR-TERM ACHIEVABLE GOALS  
MARCH 18, 2009**

I want to thank Chairman Costello for calling today's hearing on "Air Traffic Control ("ATC") Modernization and the Next Generation Air Transportation System ("NextGen"): Near-Term Achievable Goals." This hearing 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. In the summer of 2007, the United States was suffering terrible airline delays - over a quarter of all flights were delayed, cancelled or diverted. At that time, we were also in the heat of a protracted debate over the Bush Administration's extremely controversial financing plan - a plan, which I believe, was less about actually financing ATC modernization than fundamentally restructuring how the FAA did business, making it less accountable to Congress and the American public. At the time I said that the Bush Administration had "oversold" NextGen in order to sell its financing plan. Others within the industry have made similar criticisms: that the NextGen vision had become unclear regarding the tangible near-term benefits it would provide.

Today's hearing is an opportunity for the Obama Administration to set its own expectations for NextGen, and hopefully to do what Chairman Costello counseled two years ago, namely, commence a "frank discussion about what near-term relief can

realistically be provided by” NextGen. To that end, I am pleased to see that the FAA appears to be shifting its attention to the near-term and is refining its NextGen benchmarks for the next five to eight years. Moreover, the FAA has commissioned a NextGen Mid-Term Implementation Task Force to develop a consensus plan with industry about what capabilities and requirements are most needed between now and 2018. For its part, Congress must pass a reauthorization bill with robust funding for FAA capital accounts **this year**. H.R. 915, the “Federal Aviation Administration Reauthorization Act of 2009” provides historic funding levels for FAA capital accounts that will accelerate the implementation of NextGen.

Today’s hearing is also an opportunity for the industry to set some expectations. In the NextGen environment, the aircraft itself will be a part of the infrastructure. How quickly NextGen benefits accrue may depend largely on the willingness of aircraft operators to equip their aircraft in advance of regulatory mandates. Preliminary estimates indicate that the total cost of NextGen avionics for civil operators could range between \$14 billion to \$20 billion. For NextGen to be successful, government must synchronize its investments with industry, and where possible, help industry make the “business” case for the costs that it will be asked to incur.

Earlier this year, a coalition of industry stakeholders argued that \$4 billion should be included in the “American Recovery and Reinvestment Act of 2009” (the

“Recovery Act”) to accelerate NextGen avionics equipage. There is a precedent for this approach. The FAA purchased ADS-B avionics for operators in Alaska as part of the Capstone initiative, which provided a base of properly equipped aircraft and allowed the FAA to examine the costs and benefits of the new technology. The FAA has proposed “best equipped, best served” operational incentives, whereby operators who equip their aircraft as soon as possible would receive benefits, such as preferred airspace, routings, or runway access. However, the President of the air traffic controllers union will testify today that this approach has serious operational and workforce implications. There is a plausible case to be made that that such subsidies or incentives, if properly structured and implemented, might be helpful in advancing NextGen, but I believe that the issue requires careful examination. We will continue the dialogue with the FAA and industry on this issue.

While technologies, policies and procedures are important, as we saw in January with US Airways Flight 1549, so often it is actually people that make the difference. The controller in the tower, the pilot in the cockpit, the airline dispatcher with the right skills and training are the determinants of safety today and will be tomorrow in the success or failure of NextGen. The FAA has been hiring thousands of air traffic controllers to stay ahead of retirements, and is increasingly sending developmental controllers directly to busy facilities to begin their on-the-job training. With fewer fully certified controllers and greater on-the-job training demands, controllers may be working more overtime hours. As attrition increases, the FAA

must address human factors issues in ATC: fatigue. Moreover, as new NextGen technologies and procedures are introduced, the FAA must provide training for all of its controllers on new equipment and procedures while maintaining their existing skills.

The FAA must also obtain the correct skill mix within its acquisition workforce to successfully manage the implementation of NextGen. In September 2008, the National Academy of Public Administration issued a report that cited key workforce competencies such as software development and contract administration that the FAA must strengthen in order to execute NextGen. In response, the FAA plans to fill between 300 and 400 NextGen positions over the next two years to address some of its skill deficiencies. This Committee will vigorously monitor the FAA's progress in strengthening its acquisition workforce.

Mr. Chairman, you and I both observed that the Bush Administration appeared to delegate an enormous amount of responsibility to the private sector for the development and implementation of NextGen. This was evident in the service contract acquisition strategy it adopted for ADS-B, whereby a consortium led by ITT will build the ADS-B ground stations and own and operate the equipment. That practice became an Achilles heel in the IBM-FAA era – an excessive reliance on contractors that led to the FAA's loss of objectivity, undermining its ability to evaluate critically how the system was performing. We couldn't tell where FAA left off and

IBM began – and vice versa – and FAA became the apologist for its supplier/contractor. Inspector General Scovel has expressed similar concerns, testifying before this Subcommittee that, “FAA could find itself in a situation where it knows very little about the system that is expected to be the cornerstone of NextGen.” That’s not a prediction – that is a re-statement of recent history.

To ensure the safety of ATC systems, the FAA maintains a comprehensive certification program for systems used in the national airspace system. But I understand that the FAA has changed its certification program to fit its service contract acquisition model, effectively prohibiting the FAA certification of systems and services unless they are owned or maintained by the FAA. These changes could further reduce the FAA’s assessment of the quality and performance of key NextGen systems such as ADS-B. That is why, earlier this week we asked the Inspector General to assess these changes to the FAA’s certification program as well as the implications of allowing the private sector to assume the responsibility for determining the operational suitability of systems under its control.

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