

**POTENTIAL INCREASES IN AVIATION  
PASSENGER DELAY DURING THE  
SUMMER 2004 TRAVEL SEASON**

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(108-67)

**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
AVIATION  
OF THE  
COMMITTEE ON  
TRANSPORTATION AND  
INFRASTRUCTURE  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED EIGHTH CONGRESS  
SECOND SESSION

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## **AVOIDING SUMMER DELAYS AND A REVIEW OF THE FAA'S AIR TRAFFIC ORGANIZATION**

**Thursday, May 13, 2004**

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON AVIATION,  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,  
WASHINGTON, D.C.

The subcommittee met, pursuant to call, at 10:07 a.m. in room 2167, Rayburn House Office Building, Hon. John L. Mica [chairman of the subcommittee] presiding.

Mr. MICA. Today's hearing will focus on, I think, two very important subjects: first of all, the question of summer air travel and passenger delays, and then, most importantly, the Federal Aviation Administration's Air Traffic Organization and their attempts at reform and reorganization.

This summer will probably be the busiest summer of air travel since before the tragic events of September 11th. According to the Air Transport Association, airliners will carry some 65 million passengers over each of the summer months, and that is a 12 percent increase over last year.

More passengers means more airplanes. According to the FAA, regional jet traffic is up some 21 percent. Nine of the top 35 busiest airports in the Country are already at or above their pre-9/11 aircraft activity levels, and six more will exceed those levels by the end of the year.

While more passengers and more flights are healthy signs that the airline industry is regaining its strength, they are also a signal that we will have more air traffic delays, longer security lines, more inconvenience, and, unfortunately, more passenger frustration. Airline travel is rapidly returning to airport congestion levels and the crowded airways we had in early 2001.

In previous years, the FAA has been unable to adapt to rapidly changing summer weather conditions. When faced with adverse conditions, FAA has slowed down the entire system through the use of ground stops and reduced traffic flows to ensure safety. These steps often have created backups and gridlock from which it takes the system hours to recover.

As a centralized and evolving bureaucracy, TSA has not kept pace with the growing passenger demand. Too often the result is long screening checkpoint lines. In fact, at Las Vegas, it was reported to the subcommittee that the checkpoint delays they have experienced are sometimes four hours or more for the air travelers.

While the TSA must also cope with the statutory limit that has been arbitrarily imposed on screener workforce, airports like Los Angeles have seen screener vacancies as high as 20 percent. TSA

has unfortunately been unable or unwilling to fill some of these positions, and an already damaged airline industry cannot afford an air passenger screener meltdown this summer.

Last month, DOT and FAA announced new plans to prevent runway and airway gridlock this summer. At our urging, TSA is also working with airports and airliners to develop a plan to improve checkpoint throughput. In March, March 26, after we met with 16, I believe, airports, we sent a letter to Administrator Stone asking that TSA develop a plan to avoid a summer meltdown, and that is one of the reasons for this hearing today, is to hear publicly their plans to deal with the congestion and the passenger count increase that we expect.

This summer is crucial for the successful return of a healthy airline industry. The Federal Government must do its job and make certain that airlines can provide predictable service that the flying public demands.

Today is also our first opportunity to hear from the new chief operating officer of FAA, Russell Chew. He is spearheading a new effort to remake FAA's air traffic control system into a more business-like and performance-driven entity.

Over the last two decades, the FAA's air traffic control system has been plagued, unfortunately, by mismanagement, poor decision-making, cost overruns, program delays, system under-performance, and costly modernization failures. As the FAA struggles with its internal problems, it has become less and less responsive to the growing needs of the aviation industry.

In the 10 years prior to September 11th, the overall operating costs of the agency grew at an average of more than 7 percent each year, easily outpacing the growth in air traffic. FAA's high operating costs stem primarily from the spiraling ATC, Air Traffic Control, operating costs and largely unbudgeted costs associated with modernization. Additionally, several of FAA's largest and most important modernization projects are or have been behind schedule and also hundreds of millions of dollars over budget. In some cases, FAA's modernization projects failed to provide the originally promised functionality and/or cost savings.

The creation of the Air Traffic Organization within the FAA is the culmination of several attempts by Congress to improve the management and delivery of air traffic services. Hopefully, with Mr. Chew's efforts, we will successfully move air traffic control modernization forward and reign in FAA's out-of-control operational and also their development costs.

So I am anxious to hear from TSA on their plans to avoid a summer meltdown. Again, an already damaged industry can't afford to have a disaster with passenger service this summer. And I am also anxious to hear from FAA on the steps they have taken to move our airways along that are again becoming congested and Mr. Chew's plans for turning FAA's ATC modernization into a swift success.

Mr. DeFazio.

Mr. DEFazio. Thank you, Mr. Chairman. I appreciate the Administrator being here, Deputy Administrator McHale, who I had the pleasure of seeing yesterday before the Homeland Security Com-



mittee. We may revisit some of those issues. And, of course, Dr. Chew.

I appreciate the fact that on a proactive basis for months now Administrator Blakey and Mr. McHale's organization have been working on a summer plan, and I look forward to hearing what you hope to have in place to prevent undue delays either through air traffic congestion. I remember sitting here a couple years ago and a number of us saying 9/11 was a horrible tragedy, the industry is in horrible shape, but at least this gives us a little breathing room. And it is not going to be too long before we get back to the point of these massive problems and we have got to use this time to move ahead with long-term planning, and I guess that is going to be one of the areas that I am going to be most interested in Dr. Chew's testimony.

I guess I try, and I know it is hard, and right now your political minders are watching either from behind you or on television, but an honest assessment of where we are at and an honest assessment of what we need to do to deal both with these short-term problems and the investments we need to make long-term. And this has been a bipartisan problem; these problems existed before the Bush Administration, and they will probably continue to exist after, whenever that is, the Bush Administration, unless we have a viable long-term plan in place and you put Congress and the Administration on the spot to make those investments.

I have been very critical of the acquisition programs in the past. I have been known to say the only agency worse than the Pentagon at equipment acquisition is the FAA. I think Dr. Chew is bringing a new perspective to that. I am concerned about the flood of retirements we are going to see soon among air traffic controllers. I think we have the best trained and most efficient air traffic control organization in the world, despite some disagreements over how that might look in the future, and I would like to hear what we are putting in place there.

And then for Mr. McHale, certainly I am very concerned about the absolutely arbitrary, picked-out-the-air number that Congress foisted upon the TSA to cut the number of employees that, as I said yesterday, I believe it could be jeopardizing both safety, security, and providing for extraordinary inconvenience, which will, of course, hurt the industry. So anything you can do to wiggle around the constraints you are under to tell us honestly what we need to do and what we need to prevail upon our colleagues in the Appropriations Committee and elsewhere to do to deal with these short-term problems and the long-term problems of congestion, safety, and security would be appreciated.

Thank you, Mr. Chairman.

Mr. MICA. I thank the gentleman.

Mr. Hayes?

Mr. HAYES. Thank you, Mr. Chairman, and thank you, Madam Administrator and all our witnesses for being here today.

I appreciate the opportunity to hear from our panelists on the subject of increased air traffic and Federal response to mitigate delays. As a pilot with many years of experience, I have seen, and will see this afternoon, first-hand how increased traffic and weather can wreak havoc on individual flights and cause delays through-

out the system. I am convinced, and have stated on many occasions, that the most practical and efficient way to increase overall safety and capacity to the system is to expedite the upgrades of air traffic control equipment. Upgrading equipment gives the tools our air traffic controllers need to safely and efficiently address the issue of increased traffic.

And let me stop there just a minute. I continue to have incredibly good experiences with our air traffic controllers. A perfect example is coming up from the Outer Banks of North Carolina last week, thunderstorms moving through the area, I landed in Richmond and waited on the weather a little bit. And to let you know how the system works best, when I had made the decision to leave, I am on runway two and asking the tower, as did the airliner on runway 3/4, let us get in position; look at our radar, you look at your radar, and we will find out how to handle the situation. Controllers were very good' we all worked together. And that is the kind of thing it takes.

If you all can find the answer to the Bermuda high for the summer and thunderstorm avoidance around here, that would be great.

I applaud you, Madam Administrator and Mr. McHale and all your staff for being very accessible. We haven't solved all the problems yet, but I appreciate the vigor and the enthusiasm and the intensity with which you have gone after it. The equipment is important.

I enjoy, and continue to enjoy, in the air and on the ground, working with our controllers who provide valuable service, but also bring tremendous insight to our deliberations and our efforts to improve safety. Thunderstorms, traffic, icing, these are the issues that impact safety far more every day than some of the other important issues that we continue to talk about. General aviation, the charter industry, the airlines all go together to give us the most incredible air traffic commerce boosting, economy building aircraft and air traffic system in the world, so I appreciate all of your participation.

Again, another anecdotal evidence, there was a guy in Charlotte the other day, it was 12:00 at night, he had just shot the opening round, was leading the tournament, and his wife prematurely, maybe a couple weeks, early all of a sudden went into labor. You don't call the airlines at 3:00 in the morning to go, but fortunately there was an air charter available. If I had been there, I would have gotten him there on time; he was 20 minutes late. But, anyway, this cooperation and working together between all of us is what is going to be the ultimate answer.

But, again, we appreciate your effort. The FAA folks on the ground, working to make sure that the management practices that you have in place are used properly. That is what gives us the safety that we need. So thank you and keep up the good work.

Mr. MICA. I thank the gentleman.

Mr. Lipinski?

Mr. LIPINSKI. Thank you, Mr. Chairman. And I thank you for holding this very timely hearing today on avoiding summer passenger delays.

I also want to welcome all the witnesses here. The Administrator and I have met on a number of occasions. She is always very coop-

erative, very helpful, and I appreciate that. The other two gentlemen I haven't really met, but I am sure that I will be interested in what they have to say here today.

Four years ago, Congress identified O'Hare International Airport's delay problem as something that negatively impacts the national aviation system. In 2001, congressional hearings were held to discuss what could be done to solve this problem. Later that year, the City of Chicago, with agreement from the State of Illinois, provided an answer to the delay problem. That answer was the O'Hare Modernization Program (OMP). The OMP is an airport development program designed to solve immediate and long-term problems at the world's busiest airport, while also producing considerable benefits to the national air transportation system.

In 2003, O'Hare experienced the busiest calendar year of any airport in the history of aviation, with approximately 931,000 total operations. From January 2004 through April 2004, O'Hare has experienced the highest monthly traffic levels in its history. Demand at O'Hare is projected to increase at these robust levels for decades.

Operational restrictions at O'Hare will not solve the delay problem over the long term. Time spent developing and implementing these short-term solutions would be better spent completing the O'Hare Modernization Program's Environmental Impact Statement, the EIS. Once the FAA's EIS process is completed, the City of Chicago will begin construction on the O'Hare program. A failure to implement the modernization would force Congress and this committee to continually debate the O'Hare delay problem on an annual basis. And I know from first-hand experience that the chairman of this committee is very tired of hearing about O'Hare Airport. Given the importance of O'Hare Airport to the national aviation system, I hope that the Administrator will outline the FAA's plan to expedite the implementation of O'Hare's runway plan.

At Midway and O'Hare Airports, security efficiency makes up a significant percentage of travel wait times. For example, last summer, at Midway Airport in my district, travelers spent hours waiting to be screened at checkpoints, which led carriers to hold and delay many early morning flights. In order to avoid passenger and flight delays this summer, it is important that an adequate number of TSA staff are in place. TSA has indicated that it is planning to reduce screener staffing at airports across the Country. This proposed reduction comes at exactly the wrong time. Screener staff vacancies have already been rising at 7 to 10 percent under authorized levels. Screener reductions should be halted and TSA should hire more full-time equivalent staff.

In addition, it is just as important that travelers know exactly what to expect when they arrive at the airport. Educating passengers on TSA procedures should occur throughout the check-in process. For example, video and an audio system should remind passengers of procedures while they wait in line, and staff could direct passengers to available checkpoints to expedite the process. TSA should take responsibility to make these procedures uniform. TSA estimates have suggested that coaching of passengers while they are waiting to be screened can increase checkpoint efficiency up to 50 percent.

I understand that TSA is bound by fiscal constraints, but if we are serious about implementing a safe, efficient transportation security system, we must make sure funds are used to balance the needs of safety with those of the traveling public. I hope that Mr. McHale will comment on these issues.

Mr. Chairman, I thank you very much for my time, and I yield back the balance of my time

Mr. MICA. I thank the gentleman.

Mr. Shuster?

Mr. SHUSTER. Thank you, Mr. Chairman.

I would like to welcome all of our witnesses here today. I think it is obviously a good sign we are seeing passengers come back to our airports and use our airlines again, and I encourage the FAA to continue to use best management practices and improve where we have seen so many times that the FAA has not done the job in management, bringing on some of the systems that we had hoped would create efficiencies don't seem to have come to fruition.

And I would also like to see ways we can work to utilize some of our smaller airports around this Country. In Pennsylvania, Harrisburg Airport, a medium-sized airport, and in my district, Altoona Blair County Airport, ways to get them in the system and they can bypass going through these major airports through security and do it in much quicker fashion at these smaller and medium-sized airports.

But I also believe that it is incumbent upon this Congress to make sure that we are looking to the future and building the capacity that we need in aviation, in our airports around this Country. We hear about Chicago, and in Philadelphia that airport is at times almost gridlocked; you can't get anything in or out. So we have really got to look at ways to expand or even build new airports in this Country.

And I also think it is going to be very interesting to watch, this summer, the TSA and the screeners, how they respond at the airports that are Federal employees and at the five airports that we have private contractors. I hope that this committee is going to be able to get some good statistics on that just to see how they performed, the five test airports versus the rest of the system, to see who is doing a better job, who is moving things through efficiently, because I know at the end of this year there is going to be an opportunity for airports to opt out of the Federal program and go back to private screeners, and some of the results that I have seen so far in various measurements are that the five airports that have contracted screeners are doing a more efficient job. So, as I said, I am going to be looking closely at how those airports compare to the airports that they have Federal employees at.

And I look forward to the witnesses' testimony today and thank you all for being here.

I yield back.

Mr. MICA. I thank the gentleman.

Mrs. Johnson?

Mrs. JOHNSON. Thank you very much, Mr. Chairman, and thank you for having this hearing today.

First, I would like to thank Administrator Blakey for her office's assistance in dealing with a pressing matter at the Lancaster Mu-

nicipal Airport in my district. The staff has been very helpful, and I commend you for your immediate attention to the issue.

To this point of this hearing, let me just say that the Dallas-Ft. Worth International Airport is a vital part of our economy in North Texas, and I am extremely concerned that the potential for long lines this summer could stifle possibly the first profitable summer for the aviation industry in along time.

When the Transportation Security Administration assumed responsibility for passenger and baggage screening in accordance with the Aviation and Transportation Security Act, they committed to ensure sufficient passenger and baggage screening levels in order to avoid long passenger wait lines and to ensure efficiency at terminal checkpoints. Unfortunately, this commitment is in jeopardy, as the TSA has reported that passenger screening peak period delays have risen to an unacceptable level, exceeding 30 minutes, at three of DFW's passenger screening checkpoints.

American Airlines, the world's largest carrier and DFW's largest tenant, is extremely concerned about the potential for long lines that customers will encounter this summer. As evidence of the mounting urgency, American sent a letter to DFW's Federal security director on April 23rd to express continuing concerns regarding the TSA staffing levels as the airline approaches the busy summer tourism season. To make matters worse, the TSA's Federal security director at DFW informed airport officials last week that TSA will cut 176 of its 1,574 passenger and baggage screener workforce. These staffing reductions—and this is effective immediately—will mean that the passengers can expect an estimated average wait time for more than one hour at passenger screening checkpoints.

In 2003, the TSA conducted a test of the impact of similar reductions in passenger screeners, and the results were disastrous. Passenger lines extended throughout the airline check-in counters, completely disrupting the passenger and baggage screening process. Passenger lines also extended throughout the bag claim area, again disrupting passengers attempting to reclaim checked baggage and exit the terminal facilities.

Considering the 9.5 percent growth in passenger enplanements and forecast growth at DFW Airport, I am gravely concerned that the reduction in staff could result in immediate passenger processing gridlock, as well as pose serious security risks to its passengers.

Mr. Chairman, I cannot fathom any justification for the TSA to reduce staff at one of the Nation's largest airports, when the Government is doing all that it can to protect U.S. airports from becoming terrorist targets again. I will have some questions for the Deputy Administrator McHale concerning this issue, but I do hope to hear his testimony and how TSA plans to ensure sufficient passenger and baggage screening staffing levels at all of the DFW terminals in order to avoid this gridlock and unacceptable passenger wait times.

At the same time, our international terminal is scheduled to open, and we are supposed to have at least 16 passenger screening lanes. I understand that this is going to change to 8. I really need some answers, because we are looking at a very long, hot summer.

Thank you.

Mr. MICA. I thank the gentlelady.

Mr. Porter?

Mr. PORTER. Thank you, Mr. Chairman. I appreciate your having this important hearing today. As you know, air travel across the Country, we want to make sure it is safe and efficient in all the communities, and as a refresher, McCarran International Airport has 30-plus million tourists a year arriving and departing from, again, one of the busiest airports in the Country.

We have experienced a large, if not huge, increase in travel and, credit to the White House and members of this Congress, the economy is coming back strong, and Las Vegas is really a bellwether to what is happening nationwide in our economic position. We encourage travelers, and that means people are comfortable in investing in tourism and travel.

And I can applaud our Director of Aviation, Randy Walker, and Jim Blair of Security, in working with our delegation and my colleague from Las Vegas, Shelley Berkley. We had close to five hours of delays at McCarran Airport this past winter. Five hours. And I appreciate the 30-minute waits and the hour waits that some of my colleagues have across the Country, but five hours was totally unacceptable. So in concert with TSA and the delegation and the professionals at McCarran International, we really have improved that substantially. But from an airport perspective, we are adding seven new checkpoints, security checkpoints; we are remodeling the airport to provide access, because we realize that travel needs to be comfortable, convenient, and safe.

But, unfortunately, we are finding that TSA is reverting to some of its old ways. We had substantial success early in the year, but we have recently learned that TSA has reduced the number of authorized screeners at McCarran by more than 50 people below the current actual level, which itself is below that which is authorized and does not account for the extra screeners needed for new gates.

TSA continues to refuse to abide by the law this committee passed, Vision 100, which ordered that McCarran and other airports be credited for the funds they have overmatched to install inline screening.

Mr. Chairman, this hearing was called to find out what can be done to prevent summer delays, and tourism is number one, two, and three in every economy in every State in the Country, so I am sure they are experiencing similar challenges. We just have to make sure that travelers are safe, convenient, but we cannot stand, nor will we accept, the fact that there is another reduction.

Unlike other States that have multiple economy bases, we have tourism and a resort industry. There are two means to get into our community, that is by the ground and by air. We cannot afford, nor will we find acceptable, to have these lines as they were this winter.

Mr. MICA. I thank the gentleman.

Ms. Berkley.

Ms. BERKLEY. Thank you, Mr. Chairman, for holding this very important hearing. And I would like to thank my colleague from Nevada, Mr. Porter, for his eloquent and quite accurate statement. I appreciate everything he is doing on this issue.

As you know, this is an issue that is vitally important to me and my community. Since January, when passengers traveling to

McCarran Airport experienced lines of up to five hours, the situation at McCarran has indeed improved. However, with the summer approaching, the Transportation Security Administration must work with our airport officials and the FSD to ensure that adequate resources and personnel are provided to accommodate the summer traffic. Airlines and Federal security officials have listed McCarran as one of the 25 airports most at risk for lengthy security delays this summer. It is not too late to recognize this possibility and take steps that will prevent a return to the disruptive delays we experienced in the past.

McCarran Airport is second only to Los Angeles in the number of ticketed passengers going through security checkpoints. The officials at McCarran Airport have worked diligently to eliminate the long line for travelers. The airport is planning ahead and adding six additional lanes by mid-June.

Now the TSA must do its part. TSA must provide McCarran Airport with more screeners. Some of the screeners at McCarran are working up to 50 hours a week. We cannot expect them to continue to work these long hours. At some they are either going to quit or their efficiency and effectiveness are going to be compromised, which could, in turn, impact security safety. McCarran is struggling to do the best we can with its current screening staff. I cannot emphasize enough that McCarran needs more screeners. And I have heard the same rumors that my colleague has heard, that we are going to be cut 50 full-time equivalent positions at a time that we need more screeners, not less screeners, at McCarran. That is a tremendous concern to us.

I have stated many times in the past, but I think it bears stating again, that passengers packed together awaiting security screening creates an even greater potential for a terrorist threat. We are doing everything in our power as a Nation to protect the hundreds of fliers that might be in an airplane that would be the target of a terrorist attack, while we are leaving exposed thousands of travelers on the ground, packed together, awaiting their opportunity to go through our screening process. It is a serious issue that creates yet another target-rich environment.

As the TSA reviews its allocation of screeners throughout the Country, it is imperative that special consideration is given to the number of passengers that must be screened when looking at the workforce distribution. Congress also has an obligation to provide the TSA with the resources needed to properly do the job, and I am very well aware of the fact that we have not lived up to our responsibility to provide you with the necessary resources so that you can in fact carry out your mission that we have given you. Congress must stop short-changing the TSA. The agency's responsibilities are enormous, and the security of the flying public rests squarely on your shoulders.

I look forward to working with you as we have in the past, Administrator Blakey, Deputy Administrator McHale, and Dr. Chew, to make this summer safe and enjoyable for the traveling public as humanly possible.

And I thank you very much and I give back the balance of my time.

Mr. MICA. I thank the gentlelady.

Additional opening statements? Mr. Pascrell?

Mr. PASCRELL. Thank you, Mr. Chairman. By this point, Mr. Chairman, many of us have read the article this past Sunday in the North Star Ledger that quoted several current and former TSA screeners at Newark International Airport, suggesting that TSA is in violation of Federal law in terms of screening checked baggage for explosives through the EDS machines. One screener said it is all smoke and mirrors. If it is, it is unconscionable.

Two years after 9/11, Newark Airport does not have the staff it needs to fully operate all the bomb detection machines during peak hours.

Mr. McHale, I have asked several questions of you at other meetings in Homeland Security. You were, I believe, forthright in responding, but we have asked about staffing levels, we have asked about baggage screening. In fact, we asked yesterday in another meeting. You stated that, and these are your words, "within 10 days we will have security at Newark at the level that is required."

However, today the newspaper reports that your communications office clarified these remarks a couple of times, not just once. And I know this subcommittee would appreciate it if you could make a final statement of your plans and timetable to address the problems at Newark Airport. We know this is not just a problem at Newark. But if you need more resources to get to 100 percent at every single airport, you must tell this committee; you must not simply be the messenger.

We need to know what really is happening on the field. This is our job; this is our responsibility, as you have yours, and we respect yours. It is a lot easier for everybody if we hear what is going on from the top, rather than from the former employees talking to a Sunday newspaper, because you know it ain't gonna be good.

On a separate note Administrator Blakey, I would appreciate hearing your take on what is happening with the New York-New Jersey airspace redesign. We made a commitment to this, the Congress made a commitment to this. The reshaping of the redesign of air traffic in the United States was going to be initiated in the metropolitan area I just mentioned. Four months ago everything seemed to be on schedule for a draft EIS mid-year environmental impact statement. Now I understand that has been put off yet another year, at least. That is very discouraging, because that is the first step in moving us forward.

And I will finish with just a couple quick questions. Is TSA attempting to determine how many screeners it should have? And when precisely will TSA inform the Congress how many screeners it should have? A lot of time and funding has gone into this project, and I again appreciate the great work that Administrator Arroyo is doing at Newark Airport; took on a tough, tough task. We need to keep progressing on the redesign, with strong oversight from your office. Once the redesign is completed, it can play an important role in reducing congestion and delays in the national airspace. We need to attack that.

And we know that the Federal Government has taken on most of these responsibilities, but I would like to know, in conclusion, yesterday you said that the recent news articles you referred to at Newark Airport, someone is being pressured to screen items too



quickly to prevent delays. This is what some of the employees said. If that is true, I would like to know, and I think the committee would like to know who is actually pressuring you to move this system beyond reason and simply cater to the buck. I think we have a right to know that.

Thank you, Mr. Chairman.

Mr. MICA. I thank the gentleman.

Any additional opening statements? No additional opening? Oh, I'm sorry, the gentleman from California, Mr. Honda. You are recognized.

Mr. HONDA. Thank you, Mr. Chairman. I want to thank you and Ranking Member DeFazio for holding this timely meeting, because I hear from my colleagues the same kinds of concerns about the lack of TSA scheduling and personnel. In San Jose we were able to meet the holiday rush of 2003 by adding more personnel there, and that helped, but since last year our airports are going to be experiencing anywhere from 7 to 11 percent increase in the number of passengers. And what I understand from my local folks is that they are being asked to curtail airline services because TSA cannot handle the crowds and the lines. Well, they can't do it right now either, and we are already 60 FTEs down, and that is a big concern. Airports are the portals for our passengers and it is a great indicator of what kind of economy we have in our area, and if we are going to help this economy grow, we are going to have to address this.

Now, my sense is that we put a cap on your funding. And I guess one of the questions I have, Mr. Chairman, is who is going to be responsible for putting together a supplemental so that we can provide the funding for them? That is number one. Number two, is there a way we can do a study of our current situation, before it gets even worse, through an inspector general or for GAO, so that we can look at where the gaps are?

Now, if my colleague from Salt Lake City doesn't mind, I would like to indicate that their airport is doing basically fine. And I suspect it is because the Olympics was there and we were able to infuse the necessary revenues and personnel, and keep it there because of our concern for security.

Now, if that is the case, why can't we replicate that throughout the rest of our airports in terms of revenue personnel and technology? Time is wasting, and we need to look at this not only as passengers and economics, but also as our homeland security, our hometown security. They are all integrated and, quite frankly, I am getting a little frustrated with the situation, and I want to see a resolution to this, a plan, a plan of action. If it needs more money and we are short-changing you, this Congress is short-changing you, tell us how much it is going to cost. But also tell us how you are going to address the ensuing pressure and the current pressure that you are up against.

I would like a quick, concise, precise answer ASAP, because we deserve it and our traveling public deserves it, because when this whole thing started we promised our community that they would be secure, and I don't want another episode in our papers and our Country that there was failure in political leadership, failure in implementing a plan, as we see in our papers in other arenas.

And to our Administrator, during the reauthorization, I asked for information regarding the aviation safety reporting system, and we had 90 days to get reported back, and we have not received that as of yet. So to the FAA administrator, I would like to understand where it is and if we are going to get that report, because 90 days has been exceeded.

Thank you, Mr. Chairman.

Mr. MICA. I thank the gentleman.

Any additional opening statements? Mr. DeFazio.

Mr. DEFazio. Thank you, Mr. Chairman. Mr. Chairman, I would like to apologize to the panel. I did have the opportunity to ask questions of Mr. McHale yesterday, but I have a hearing in another committee on a report I requested from the GAO on forest fires, which is a fairly hot issue in the west, so to speak, and I have got to go there. But Mr. Boswell will sit in, and I am sure he will have some incisive questions and follow up on some of my concerns.

Thank you, Mr. Chairman.

Mr. MICA. The ranking member's body and heart will be in another committee, but he will leave his mind here.

Mr. Boswell, you are going to assume ranking position. Thank you.

Let us see, no additional opening statements, then we will go to our panel of witnesses.

Our witnesses today consist of Mr. Stephen McHale, Deputy Administrator of the Transportation Security Administration; the Honorable Marion Blakey, Administrator, Federal Aviation Administration; and Dr. Russell Chew, Chief Operating Officer of the Federal Aviation Administration.

Welcome to each of the witnesses today. And, as usual, if you have any lengthy statements or material that you would like to have made part of the record, just a request to the Chair will include that material in the official record.

With that, let me recognize first, in response to our letter to Admiral Stone of March 24th, here today of TSA's plans for dealing with summer delays. Mr. McHale, you are recognized.

**TESTIMONY OF STEPHEN J. MCHALE, DEPUTY ADMINISTRATOR, TRANSPORTATION SECURITY ADMINISTRATION; HON. MARION C. BLAKEY, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION, ACCOMPANIED BY RUSSELL G. CHEW, CHIEF OPERATING OFFICER, FEDERAL AVIATION ADMINISTRATION**

Mr. MCHALE. Good morning, Mr. Chairman, Congressman Boswell, and members of the subcommittee. I am pleased to have this opportunity to appear before you today to report on the Transportation Security Administration's plans for maintaining world-class security over the coming busy and challenging summer season.

As you know, we are moving into the second year that TSA has been providing Federalized passenger screening. We are about 18 months past the time that we took over with Federal employees screening at all the Nation's airports, and during that time we have successfully weathered several high volume travel seasons, both winter holiday and summer vacation periods, despite repeated dire warnings of impending gridlock.

After each peak season, I am proud to report that positive feedback from our stakeholders has confirmed that at the vast majority of airports around the Country TSA continued to ensure world-class security while maintaining high standards of customer service. We had problems at particular airports, and as we have identified those problems we have been working closely with the airport authorities and the air carriers to address those problems.

The key to continued success as the airline industry comes back, almost roaring back, is to work with our partners, as we face the challenging summer, to minimize potential delays in all aspects of air travel, from getting to the airport, ticketing and airline check-in, to passing through security screening checkpoints and on-time departures. Some talk about the security hassle; we sometimes talk about the aviation hassle. It is really a question of all partners working together to find solutions, and we look forward to working with them. We have to do our part and our partners do theirs.

In developing our aviation partnership support plan, we have taken into account not only the increase in air travel occasioned by summer vacation plans, but the many special events scheduled for the summer months that will require particular attention. With our stakeholder partners, we have identified 25 focus airports that require special attention for a variety of reasons: size, proximity to special events and proximity to high traffic summer vacation destinations, etc.

The focus airports may receive additional staffing in positions that support the screening process, such as exit lane monitors, queue handlers, or ticket checkers, where we don't need particularly highly-trained Federal screeners, so we are looking to our aviation partners to help us with that staffing for those non-screener positions, and we will augment these positions, as we have done in the past, to the extent feasible with TSA Headquarters staff and administrative staff from field positions.

With respect to our actual screening capabilities, our Federal security directors will be directed to ensure full screening capability. This will require the use of overtime, aggressive management of leave and vacation schedules, keeping checkpoints open longer on critical travel days, maximizing the use of dedicated screening lanes, limiting vendor and concessionaire screening to non-peak travel periods, and conducting routine, ongoing screener training during non-peak travel periods. Also, our national screening force will be mobilized as necessary to airports where special events will generate extraordinary traffic.

The second element of our aviation partnership support plan will involve an extensive passenger education program to help prepare summer travelers to do their part in minimizing delays when moving through our Nation's airports. Our ready-set-go program will educate passengers on the most common issues that are encountered at checkpoints. Our partners in the travel industry will all be critical in helping TSA to promote these messages, and as members have noted, if passengers properly prepare before they reach their checkpoint, it can very substantially improve the efficiency and through-put at our checkpoints.

Another key to our aviation partnership support plan is localizing the strategies. FSDs will meet with airport directors, air carrier

station managers, and others to formulate additional guidance, recommendations, and local training all tailored to those airports. TSA Headquarters will review the plans and assure that the best of those plans are shared with all FSDs.

Of course, even as we focus attention on the summer season, we continue with other ongoing initiatives that promise to improve passenger through-put. As directed by the Aviation and Transportation Security Act, we continue to work toward a system to replace a computer-assisted passenger pre-screening system currently run by the air carriers. We are also developing a Registered Traveler Program which will be piloted this summer at a number of airports. Under these pilots, passengers participating on a voluntary basis will be requested to submit personal data such as biometrics that will be used for identification verification and background checks. RT participants would be exempt from secondary screening, but would still have to submit to screening for prohibited items. After completion of the pilots, we will analyze the security and customer benefits and the feasibility of proceeding with a larger scale program, and will come back and brief this committee.

I want to emphasize once more that we view our summer planning as more than a short-term solution to increase security and customer service challenges. Rather, we expect this to serve us well as we continue to refine and implement the best practices that will become the hallmark of the extraordinary level of security we demand year-round. This endeavor also demonstrates the value of a strong partnership between TSA and our stakeholders, a partnership that will continue to yield improvements in aviation security in the future.

Mr. Chairman, that concludes my statement. I would be pleased to answer any of the committee's questions.

Mr. MICA. Thank you. We will withhold questions until we have heard from all three of the witnesses.

I recognize the FAA administrator now, Ms. Blakey.

Ms. BLAKEY. Thank you, Mr. Chairman. And I must say that I am delighted to appear before the members of this subcommittee today on behalf of the men and women of the FAA. I am also proud to be testifying today along with Russell Chew, the FAA's new Chief Operating Officer, who is going to address the issue of the transformation of our new air traffic control organization, and, of course, with Steve McHale, the Deputy Administrator of TSA.

You know, I doubt there is a person in this room who doesn't have a story about the summer of 2000; longer lines at the gate, longer lines even more on the runway. Couple this historical perspective with the economic climate of the airlines today, and we know delays aren't good for anyone. They are certainly not good business, no matter what side of the ticket counter you are on. The severe downturn in aviation that followed 9/11 set the industry back dramatically, there is no doubt about that. But given the expert forecasts, and these are our forecasts, aviation strength is returning.

[Chart.]

As you can see on the chart we have before you, out of the 35 major airports we tracked in the FAA's Operational Evolution Plan,

13 airports, over a third of these OEP airports, are experiencing traffic levels that are above 2000 levels.

You know, the American spirit is resilient, and aviation is coming back. In fact, I agree with Steve McHale, it is roaring back. That is why we are working with the industry to stay ahead of the curve. Our efforts are designed specifically to keep delays to a minimum. We have taken several concrete steps to ensure that the system continues to function efficiently as we move into this summer travel season.

Given the importance of this issue, Secretary Mineta has also drafted a letter to members of this committee, and, Mr. Chairman, may I request that that letter be inserted into the record as well?

Mr. MICA. Without objection, so ordered.

[Information to be supplied follows:]



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

MAY 12 2004

The Honorable John Mica  
Chairman, Subcommittee on Aviation  
Committee on Transportation and Infrastructure  
United States House of Representatives  
Washington, DC 20515

~~Dear Mr. Chairman:~~

Thank you for inviting Administrator Blakey and the FAA's Chief Operating Officer Russ Chew to appear before the subcommittee at this important hearing. As many American families once again prepare to take their well-deserved vacations, I want to take this opportunity to share with the subcommittee our plans and preparations to address the challenges of reducing gridlock and minimizing delays during this year's busy spring and summer travel periods.

As this subcommittee is aware, our nation's economy has strongly rebounded, and Americans are once again using commercial aviation. At most of our large airports, passenger levels are returning to pre-September 11<sup>th</sup> 2001 levels. While this is welcome news, this increase in airline passengers presents a potential for significant delays at critical points in our nation's aviation system. In order to avoid delays similar to those in the summer of 2001, I have directed the senior leadership of the Department of Transportation to work with our industry partners to develop new, long-term solutions. I believe we are doing just that.

In March, I announced new measures aimed at reducing potential gridlock and delays, including a new, innovative approach to air traffic operations that creates "express lanes" within many of our nation's most heavily congested routes. These lanes will reduce overall delay times at congested airports by getting planes off the ground and into the air traffic flow as safely and efficiently as weather permits.

The Department's plan also includes combining, for the first time, Canadian and FAA weather radars to provide more accurate and timely information that allows for faster aircraft re-routing. And, an enhanced Collaborative Convective Forecast Product (CCFP), developed jointly by the National Weather Service and the airlines, will also improve aircraft re-routing and planning in advance of bad weather.

We are also hard at work to minimize the impact of those delays occurring at a single airport on passengers throughout our national aviation system. In January, Administrator Blakey signed an order under the authority granted by the Congress to help alleviate the growing problem of delays facing Chicago's O'Hare International Airport, which, on any given day accounts for up to 40 percent of all delays. Under the terms of the order, American and United airlines agreed to cut their peak-hour operations by 5 percent during peak travel times between 1 p.m. and 8 p.m. to help reduce delays.

While the preliminary results were encouraging, we believed more action was needed. Last month, I ordered an additional 2.5 percent reduction in peak-time operations to better improve the situation. We will continue to monitor our progress in the days and weeks ahead, and are fully prepared to take further action, if necessary.

Though each of these measures plays an important role in managing aviation congestion, the continued strength of our nation's aviation system depends on long-term solutions that address the changes taking place within the aviation industry. We must continue our investments in advanced technology while modernizing our aviation infrastructure. The President's Fiscal Year 2005 budget for FAA includes needed investments that will help improve the safety and efficiency of our aviation system.

The FAA has set in motion several airspace modernization plans to add capacity and improve efficiency, including seven new air traffic control towers; five new terminal air traffic control facilities; new advanced radar systems at 12 airports; and the state-of-the-art STARS air traffic control system at 14 airports.

This year alone, runway construction is underway at seven airports. When all of these projects are completed within the next five years, these 7 runways will give our system the capacity to handle over 840,000 more take-offs or landings.

The Department is currently leading an Administration-wide effort to develop a system based on 21st Century technology that will help reduce future air traffic delays, improve airport management and maximize the safety and efficiency of our nation's aviation system. Our initiative will use technology to triple airspace capacity, modernize Global Positioning Satellite navigation, and enhance on-board technologies.

I know of your interest and the interest of your subcommittee in the issue of delays, particularly during the busy summer months and I pledge to you that we will pay frequent visits to your subcommittee to update you on this summer's situation. Administrator Blakey and her team deserve recognition for the proactive steps they are taking to ensure that the summer of 2004 is both as safe and hassle-free as possible. We at the Department greatly appreciate the strong support we have received from Congress as we work to secure America's place as global leader in aviation's second century. With your help, the Department of Transportation will continue to challenge the status quo by developing new solutions to keep Americans moving safely and efficiently within our aviation system.

Sincerely yours,



Norman Y. Mineta

cc: ·  
The Honorable Peter A. DeFazio, Ranking Minority Member, Subcommittee on Aviation,  
Committee on Transportation and Infrastructure

Ms. BLAKEY. With this in mind, let me talk about two situations, if I might, that are of immediate concern: Dulles Airport and Chicago O'Hare. These two airports are critical to the efficient flow of the national airspace system, and we are working hard to ensure that they achieve their maximum operating capacity. Dulles is the Nation's 24th busiest airport, but it plays a key role as a gateway, not just to the west, but also to the north and south. The Metropolitan Washington Airports Authority has closed one of Dulles' three runways, runway 1230, for major reconstruction. We expect it will open back approximately September 1st. Despite this closure, the system has been able to accommodate traffic with a minimum delay, so far, to the flying public. And at the same time a new low-cost carrier, Independence Air, is planning to launch this summer at Dulles as well, with a proposed 300 flights per day.

Now, fortunately the FAA is well positioned for the changes coming to Dulles. The new consolidated Potomac TRACON opened 18 months ago. We completed an environmental impact assessment of proposed airspace changes and, as a result, the airspace realignment that we have underway should smooth the capacity bumps that we are going to experience this summer.

Now, turning from Dulles, we know that as O'Hare goes, so goes much of the system. It is the world's busiest airport, and it literally is a barometer for the national airspace system. As you know, two of the largest legacy carriers in the industry, American and United, each have hubs at O'Hare. The competition to fill seats is fierce, and as of today the number of flights scheduled exceeds the actual capacity of the airport at certain points in the day.

Thanks to a provision in the reauthorization language of Vision 100 that you all so successfully put together, Secretary Mineta and I were able to work with the airlines to change their schedules recently for O'Hare. On March 4th they cut back by 5 percent. When it became obvious that more of a reduction was called for, we asked again, and American and United again agreed to, in this case, another 2.5 percent cut by June 10th.

[Chart.]

As you can see in the chart that we have also put before you here, the on-time arrival at O'Hare rose 11 percent as a result of our initial actions, so it is a key step in the right direction. Even though this will not eliminate O'Hare's delays, the situation is already a lot better than it would have been without these scheduled reductions.

I must emphasize that the steps we are taking at O'Hare do not solve the long-term capacity problems. We must continue to build runways, as is proposed at O'Hare, where they are needed; improve our national airspace designs; and field new capital programs. As an example at O'Hare, we are accelerating the deployment of traffic management advisor, what we affectionately call TMA, a system that has been funded out of our F&E program, and it is providing up to 5 percent capacity gains in other terminal areas. So we are optimistic about its deployment at O'Hare as well.

Separately, we convened Growth Without Gridlock, an unprecedented three-day conference that Chairman Mica referred to, which in March pulled together the key decision-makers to develop a strategy to address delays immediately. We sat down with rep-



representatives of the airlines, pilots, controllers, the key aviation organizations, the military, the regional carriers, the GA community. We were blunt: Unless we all can agree on a different course of action now, by the time the summer comes, it is going to be too late for all of us. In essence, we had one rule at that meeting: put all the cards on the table face-up, and everyone was going to have to give a little for the good of the system as a whole.

As a result of this, and it was an unprecedented meeting on the part of the FAA, both sides, in fact, make that all sides realized the need to work together, and we did develop a new approach. We agreed on express lanes that allow for reduced departure delays. The group also agreed to something we called delay triggers, which can reduce bottlenecks at our busiest airports. The theory is that by imposing minimal delays where they are necessary, we can also reduce major delays that are going to clog airports throughout the system.

Now, in addition to these steps, I have something very exciting to show you this morning as well, something new. We have begun a new outreach to the flying public to make it easier for the traveler to find out how efficiently the system is moving. Fly FAA Wireless is a new, free service for the traveler. It is a flight ticker that can be downloaded onto any personal wireless electronic device. It is similar to the radio reports we are all used to getting, you know, traffic and weather on the eights, except we are using wireless technology to make it even easier to get this information. Travelers can get realtime airport status and weather information sent directly from the FAA's command center to their cell phone or PDA, Blackberry, Palm Pilot. They go to [www.faa.gov/wireless](http://www.faa.gov/wireless).

Let me show you what they will experience. When you click on Airport Status, you can see if there are any ground delays, airport closures, ground stops, arrivals, etc. This screen shows what the traveler finds about ground delays at Philadelphia, appropriately enough. Go back to the Home screen, and when you select Airlines, the traveler can select their specific flight status in two ways: by the Web or by a toll-free telephone number. Either way they get it direct with one push of a button. Back at the Home page, there is also an option for the DOT's consumer hotline. If the traveler has questions or comments, shall we say, perhaps complaints, they can go in right there. For lost baggage, noise, issues of child restraints or safety, this is the place to be heard.

We are using the Internet as well. We have made arrangements with several commercial online travel services, such as Expedia, Orbitz, Travelocity, and Cheaptickets.com, to provide their Web sites with travel tips and updates on our efforts to reduce delays, and we are in the process of making airport-specific flight delay alerts and information available via email to interested individuals.

Our goal, essentially, is to keep the passenger informed every step of the way. We can't control the weather, we can't prevent all delays, but we can put the traveler in a position to see what is on the horizon and to make informed decisions. All of this points to an important lesson for the FAA: Acting more like a business, with a customer focus, pays real dividends. That is why we are working to transform the way the FAA's Air Traffic Organization does business as well.

Russ Chew now is going to tell you how we are reorganizing the structure of air traffic to eliminate bureaucratic stovepipes. And we have eliminated about a half dozen layers of upper management already, streamlined operating instructions, and placed responsibility for action where it belongs: on the front lines, working for the customer.

In summary, we are working to prevent a repeat of the 2000 summer we all experience. Aviation is returning to full strength, and we are taking steps to make sure the system is there to support it. Thank you.

Mr. MICA. Thank you. We will now hear from Russell Chew, the COO of FAA.

Welcome, and you are recognized, sir.

Mr. CHEW. Thank you, and good morning, Chairman Mica, Congressman Boswell, and members of the subcommittee. I am very pleased to be here today for the first time as the Chief Operating Officer of the FAA and the new Air Traffic Organization, and I fully concur with the Administrator. The FAA does need to operate more like a business, focusing on both customers and the bottom line. And I am here to outline a few of the steps that we are taking to do just that.

Now, at the outset let me state that I fully recognize and appreciate this committee's prerequisite that creating a performance-based organization must not compromise safety. Our commitment to safety cannot be overstated. We have established a day-to-day formal oversight inside the ATO through the new vice president of safety for the ATO and external oversight in the FAA as part of the agency's Office of Regulation and Certification. And I want to assure you that the new Air Traffic Organization has more focus on safety processes, data collection, data analysis and oversight than ever before.

[Chart.]

Now, just to show you a couple of the charts we review every day, we look at how we are doing. These are the most serious operational errors that we have, and we track this on a daily basis. And as you can see, the blue line there tracks where we are today. We are actually doing slightly better than last year.

[Chart.]

We also track runway incursions, which is the next chart, and you can see that we are tracking above in total number for last year. When you actually look at the rate it is about the same, about one error in 2 million operations.

Now, in that context, though, let me briefly outline our approach to managing the FAA's Air Traffic Organization better. Our first fundamental change is how we manage our resources. To operate more like a business, we must prioritize and realign our resources to better manage the revenue that is generated by our taxpaying citizens. We are evaluating all our activities, products, and services to eliminate any unnecessary costs and investments in the system. This activity value analysis will help us to understand the detail of what our people produce, what it is for or who it is for, and what it costs. Then these activities will be linked to our customers of that output so we can learn what is valued, so we can focus our limited resources on the activities that are valued the most.

Now, when the cost of our air traffic services are linked to the most valued products, it will become apparent which activities should be targeted for improvement and capital investment. And I know you share our concern about investment decisions, and, as our owner, we welcome your oversight of our products and services.

[Chart.]

To give you an idea of how we look at our costs, this busy chart shows each of our air traffic control centers and the costs associated with them on a per flight hour basis, so it is a unit cost measurement. From left to right are level 10, level 11, and level 12 facilities, with level 12 being our busiest. Now, you can take this data and do one more step of analysis on the next chart.

[Chart.]

As you can see, the chart that the line is moving up to the right is our controlling costs. And as traffic grows, the controlling costs rise on a unit basis. But the facility costs, which are represented by the dotted line, are actually quite stable, regardless of how large the facility gets. Now, these are important kinds of analyses to determine how and why you should manage your costs.

Careful investment and alignment of our resources will result in a more results-oriented and accountable process that will help stem the growth of our unit operating costs. And this is the second area where we will be focusing our reform efforts. We are integrating within the ATO the authority and the accountability for capital investments. Now, in the past, capital programs and operations were managed separately, and success was often defined as whether the capital program was completed. The definition of success must be linked to producing measurable operating results, and, as a result, the capital budget was inadequately linked to the future operating costs of the system or a given project. Now, with that, operational costs could increase with no real management consequences. So through a more integrated approach to managing capital and our operating budgets together, we expect to manage our operating costs as we improve our services. This will ultimately put us in a much better financial position to make long-term investments.

Now, as we redefine how investments are made, it is important to understand that modernization is not just about procuring new systems. It is also about sustaining our existing infrastructure while enhancing our operation to increase safety and improve operating efficiency. And while a large part of the capacity solution does come from modernization through capital investments and technology, as you well know, modernization also depends heavily on our operations budget. For example, airspace redesign requires modeling, simulations, drafting and testing of new procedures, new publications and charts, and everyday collaboration with our customers. And because all new investments in technology will always become part of our future operations budget, it is critical that we invest wisely in those new technologies so that our customers and owners value if we are to control our operating costs.

[Chart.]

The next chart shows two kinds of capacity: one that creates more optimal weather capacity, and what is below that middle line is what capacity we term predictability, and that is any time the system is unable to perform to the optimal level, which is usually

weather. Now, the three colors represent the three budgets that fund those capacity improvements: AIP, which is in blue; the capital investments in F&E in green; and the operations budget, which is in red. And while each of these are not in proportion to the dollar amounts, it is merely to show that the AIP, the F&E, and the operations budget in terms of modernization, are all linked.

Now, another focus will streamline how we actually manage our Air Traffic Service Organization, because this is essential to managing our operating costs, improving communications, increasing our productivity, and supporting innovation. Our organizational structure must also reflect the highest value for your investment in the agency. So ensuring organizational excellence means more people who actually provide products and services with fewer, more effective people managing them.

Having me closer to the operation by flattening the organization does result in better communication and more efficient decision-making. I am now just six layers from the controller or the technician, versus 11 in the original structure. Now, we are increasing our target average ratio of the number of employees per manager, but streamlining in and of itself means little unless you actually empower the managers by creating new financial reports and processes to give them the information necessary to make informed data-driven decisions and to be held accountable for them.

Although our final realignment of personnel has not yet taken place, we are optimistic that we will see some early productivity and efficiency improvements by the end of this fiscal year, and I will keep you informed on that.

Mr. Chairman, this brief overview cannot do justice to the work that has gone into developing the plan that has resulted in the new Air Traffic Organization. Much is being asked of the men and women who work in the ATO because the uncertainty of the times of change can be quite fear-provoking and, therefore, create a strong desire to go back to the status quo, but the fundament I have laid out, identifying the most value ATO products and services in order to prioritize the investments of the Organization's fiscal and human resources are absolutely critical to meeting the air traffic demands that we expect to face in this next century. And I believe that the ATO is the right platform, one from which we can implement both short-and long-term capacity and efficiency initiatives that the Administrator just described.

We want to work closely with you, the owners of our system, to implement these changes and to demonstrate the effectiveness of this new results-oriented approach, and I look forward to our continued collaboration in this vitally important area. I think we are off to a good start, but it usually takes years to do this kind of cultural change, but I am committed to pushing the envelope in this area.

This completes my statement, and I would be happy to answer your questions.

Mr. MICA. Well, thank you. And I thank each of our three witnesses for our testimony, and we will get right to questions.

I guess the good news is that we will be able to get the airplanes through the skies. The bad news is that passengers may not be able to get through screening and to the planes. Unfortunately, I

still do not near from TSA a viable plan. I checked just the last few minutes ago at my own airport, and I hate to get personal here, but there is nothing like attention to the problems in your own backyard. I don't represent Orlando Airport, but certainly Las Vegas is one of the biggest tourist destinations in the United States, and it sounds like we are going south in Las Vegas. And the report I got just a few minutes ago from Orlando, I wanted to get the latest information, is still "que pasa?" We have had 120 part-time positions that we tried to get filled before Christmas. I am told there are 19 on board. That is totally unacceptable by any stretch of the imagination. Now, I know you are going through this recalculation and redistribution of staffing, but I am also told 48 to 50 ready to hire and awaiting authority from TSA up here until you make a decision.

You know, if they learned nothing else from the Soviet Union's demise, they learned that a big centralized all-government system doesn't function well. And obviously Orlando and some of these other areas, and getting Washington and the Federal Government a centralized system to respond to 429 airports and certainly two priority airports, it is just not working.

Mr. McHale?

Mr. MCHALE. Thank you, Mr. Chairman. I don't know the specifics—

Mr. MICA. I don't know if I would say thank you, but—

Mr. MCHALE. Well, that is all right. I don't know actually the specifics of the situation in Orlando, about how many vacancies we have there. I will take the figures you have given me. But I will—

Mr. MICA. OK, I am told that you are going to reconfigure this from 124 to 70 under the new formula of part-time.

Mr. MCHALE. Right.

Mr. MICA. Why can't we get them there? This is the middle of May, and this is before Christmas we have been trying to get these people. I just heard again from Las Vegas. I am very concerned about Las Vegas. I had plans to go to Las Vegas Monday, and one of my major considerations to speak to an aviation conference was how the hell I was going to get out of there, because I don't bump the line; I get in line with everybody else. And I probably would miss votes if I did go out there right now; I am not planning to. But people have to be able to plan.

Now, Ms. Blakey and Mr. Chew are going to get the planes through the sky, but I have got to get these people on the planes.

Mr. MCHALE. Mr. Chairman, I have, I believe, generally good news for you. We are very close to our 45,000 cap. The pipeline is full to be there. We are hiring at airports across the Country. We are running a process that moves actually very fast by government standards; it is averaging taking 61 days to get someone on board. That is about one-third the length of time it typically takes to fill a position. We are doing good—

Mr. MICA. So these positions in Orlando—I mean, I have to use some basis. It is not in my district, it is close by. It is important to the economy of Florida and the Country. Right now it has bookings galore for the summer. It is going to be packed.

Mr. MCHALE. Right.

Mr. MICA. Sanford Orlando has had 120 percent increase in passenger traffic in a year. Orlando is up dramatically. So when can I expect them? I haven't even talked about Sanford Orlando, which is in my district.

Mr. MCHALE. Right. The screeners in Orlando, as I understand it, are coming on board as we speak. Now, you know, if there are 50 in the pipeline, then those 50 should be there very shortly. I will give you a specific day on that.

Mr. MICA. Well, the response I was given, some airports ahead of Orlando.

OK, you told us about 25 identified airports.

Mr. MCHALE. Yes.

Mr. MICA. Is Orlando one of them?

Mr. MCHALE. Yes.

Mr. MICA. OK. And Las Vegas another one?

Mr. MCHALE. Yes.

Mr. MICA. You also talked about a pilot program. What is the status of the pilot program?

Mr. MCHALE. The Registered Traveler Program? Is that the one?

Mr. MICA. Yes.

Mr. MCHALE. The Registered Traveler Program, we should be starting it in about two months, actually less than that, about 45 days.

Mr. MICA. So that will do no good for this summer. It might be in the future.

Mr. MCHALE. That is right.

Mr. MICA. OK. When we had the meeting with the 16 airports and the lack of personnel, I think you told us or TSA told us you have a large number of people out on workers' comp. claims Has that changed any?

Mr. MCHALE. We do have a large number of worker's compensation claims. It is staying a little bit steady; it has dropped a little bit, but it is still a large number.

Mr. MICA. And one other suggestion from the private airport experience was they hired baggage handlers, people who didn't need to have all the training, etc., but they had big muscles, and also they reported they had almost no, I think zero or almost no claims where they did that to date. Was that correct?

Mr. MCHALE. The companies didn't, the subcontractors did.

Mr. MICA. Well, again——

Mr. MCHALE. In other words, the baggage handlers are still going out on workers' compensation.

Mr. MICA. Well, all right, that would be one resolution, is to get baggage handlers who can handle baggage, probably hired at a different rate or different position, and have screeners actually perform screening functions, which are very important.

The other thing is in-line systems, so they don't have to touch the bags. How many in-line automated systems do we have at our 429 airports?

Mr. MCHALE. We have 14 airports where they are almost completely in-line. We have a number of smaller in-line systems——

Mr. MICA. Well, how many are complete, eight, nine?

Mr. MCHALE. I would say that 14 is the right figure. I mean, there are places where you take a bag off and do it separately, but

basically 14 where it is in-line. And then there are others that are moving there fairly quickly, like DFW and other airports, Denver.

Mr. MICA. OK. Because if they don't have to handle it, if it is automated,——

Mr. MCHALE. It moves a lot faster.

Mr. MICA.—first of all, we don't have the claims, it moves faster, and then I think third is you can get rid of what percentage of personnel on the in-line system, 50 percent, 60 percent?

Mr. MCHALE. On the baggage itself, where we have it multiplexed, we can reduce the staffing by about 50 to 60 percent in running the EDS machines.

Mr. MICA. And in most airports where they do that, the payoff in two to four years pays for the system, isn't that right?

Mr. MCHALE. In many airports that is right; other airports it is longer. But we can give you those figures.

Mr. MICA. All right.

Mr. MCHALE. It is a question of investing funds now and saving later.

Mr. MICA. Go ahead.

Mr. MCHALE. Mr. Chairman, we have been moving very aggressively on hiring, and, as you know, I think, we have also been moving very aggressively to move the decision-making down to the FSDs to get localized hiring and training. TSA set up, in the time frame we had to do the startup, we had to have a centralized system, but we recognized pretty early on that you can't continue to run a system at 448 airports like this, so we are moving that out. We are starting up in Boston in a couple weeks with a regional center that the Boston FSD will run not only to serve Boston, but all of the airports in the immediate Boston metropolitan area. Same thing we are going to be doing in Los Angeles; we have a number of airports there, and we can get efficiencies and great responsiveness to the local FSDs.

Mr. MICA. Well, we hope that comes on line soon. It may not be there for this summer, hopefully next summer.

Ms. Blakey, no advertisements for cell phones or Blackberries, but you showed a system that will show the planes and their ability to get through the airspace and arrival times. Now, by any chance, did TSA participate in this, or could we get TSA to participate, because one of the questions a traveler has is, is the plane on time, but the major question is how long do I have to be at the airport. And if it is at McCarran and it is four hours in Las Vegas or Orlando, and I understand one of the FAA employees was there for over an hour last Sunday, I think it was I heard back, maybe we could have this combined so you could look at the airport and then look at the TSA line. You all ever thought of talking about that? Have you all discussed this?

Ms. BLAKEY. We actually have talked about this. I think there are some initial challenges, and I will let Mr. McHale address those.

Mr. MCHALE. A lot of the challenges are because the passengers aren't connected directly to computers. How long it takes them to move through an airport—they have time at the airline check-in line, they have time in the security line—we pick up different factors and we work with the airports. Generally, if you contact an

airport, you will get reasonably accurate information about what the wait time is, and we are working with the airports—

Mr. MICA. In 60 days come back with a plan to figure out how you can get it on one of these or a cell phone through her system, OK? Within 60 days, just come back.

Mr. MCHALE. We will have to work with the airports on that.

Mr. MICA. And I can't be told it can't be done. It can be done. At least the passenger might have some idea. So I applaud FAA on what they have done. I would like to see the passenger have more information so they can know how long it takes to get through the line.

I have additional questions; I will submit them. I apologize, Mr. Boswell, I was just getting started.

Mr. BOSWELL. I will yield you some time if you want to keep on going.

Mr. MICA. No, go right ahead.

Mr. BOSWELL. Well, I have a question about—

Mr. MICA. They won't speak to me if I continue.

Mr. BOSWELL. Oh yes they will.

We have several members who want to ask questions, so I don't want to not let them have their time. I would ask one just to start off, then I will yield.

I am concerned about the reduction of dollars here. How are you going to deal with that? How are you going to deal with the budget situation? Don't you have a question budget shortage?

Mr. MCHALE. TSA? Congress, last year, legislated a 45,000 screener cap, full-time equivalent screener cap in TSA. We have been planning for that since February of last year. We have actually been at about 45,000 since the last holiday season, since last November. We have been right-sizing and adjusting around the Country to reshape the system since then, but we did get through the holiday season at about that level. Obviously we have a bigger challenge over the summer because it is a longer focus period, but the plans we have used to operate at 45,000 have been working. The lines are getting longer. We are working with the carriers and the airports to develop a new model, and as we experience it over the summer, if we can't work at 45,000, we will be coming back to the Congress to talk about it.

Mr. BOSWELL. OK. I may now go on to the Administrator. The facilities equipment funding for technological increase safety and efficiency, authorize \$3 billion, but we understand that the Administration's fiscal 2005 request cut from that about \$500 million. Is that correct?

Ms. BLAKEY. Approximately. A little less than that, but, yes, it is in that range.

Mr. BOSWELL. So how are you dealing with this?

Ms. BLAKEY. We are focusing really on those programs which are underway which are essential to the modernization of the system. As you know, we have some major programs to address the change-out of the FAA's host computer, if you will, the brains, the nerve center, as well as terminal modernization with our program called STARS. There are a number of others as well, and that is where we are focusing our funding. Some of the programs which were ones which were further out, if you will, truly R&D programs, we



felt at this point were not ready for deployment; there were issues with several that we have, if you will, deferred, and that is how we have accommodated a reduction in the budget there. We think these are sound decisions, we think they are good business decisions, and I would stress that we have in no way undercut programs essential to safety, and we are moving ahead on programs to address the modernization of the system.

Mr. BOSWELL. Well, I appreciate that answer.

Mr. Chairman, I am going to yield back so we can go the members, and then we may want to follow this a little bit more.

Mr. MICA. Well, thank you for yielding a second to me.

I am very concerned about what I heard about this new regional structure, and we need to have some more information on that, Mr. McHale, because we already have a bureaucracy. I have 20 administrators in the Army that is at Orlando Airport, and they have problem getting an answer out of Washington. I am very concerned now that we have a three-tier bureaucracy. I think we envision this. Mr. DeFazio isn't here and some of the other creators who helped, that the Federal security director would have much more authority and responsibility, but as I sit here thinking about a three-tier system, I am thinking, oh my God, one more level that we may have to go through.

Mr. MCHALE. Maybe I misused the word regional, Mr. Chairman. What I am really talking about is an area. In many metropolitan areas like Washington, where you have three big airports together, those FSDs will work together to accommodate their hiring. Like in the Boston area they will work together to get rid of the bureaucracies. But that is right, we are not talking about a regional bureaucracy.

Mr. MICA. If we are going to impose some kind of a cap on the bureaucracy, because we can fill those administrative positions, but we can't fill the positions are in line serving the public, and that has to be changed. And part of the problem is just filling the vacancies that exist.

Mr. MCHALE. Mr. Chairman, we have filled our vacancies. We are at 45,000. The pipeline is full.

Mr. MICA. OK, you have filled them, but I don't have these people working. This is a report within the last hour. There are 48 to 50 ready to hire. This is from your FSD.

Mr. MCHALE. I will report to you as to when they are going to be on board, because as far as I understand, they are coming in.

Mr. MICA. And he says awaiting authority to hire from TSA, that is you guys in Washington, and the prioritization. So you may have those positions filled, but we don't have bodies, warm bodies working at that airport yet. And this is a request from before Christmas. I don't care about the 124. I think your new number is 70. Give us those positions. And they are not all filled as of, again, minutes ago.

Who is on this side? Mrs. Kelly. Thank you.

Mrs. KELLY. Thank you, Mr. Chairman.

Administrator Blakey, I have a question about La Guardia Airport. As you know, New York has a highly congested airspace, and delays there result in delays all through the system. The existing lottery allocations of slot exemptions at La Guardia Airport, which

was imposed by the FAA in December 2000, and then it was subsequently extended in July of 2002, is due to expire again October 31st, exactly. As you know, before the implementation of the current lottery allocation of slot exemptions, delays at La Guardia accounted for a huge number of delays. Twenty-five percent of all the delays in our Nation's airports were caused by La Guardia. In July of 2002, when that current exemption was extended, La Guardia accounted for only 8 percent. That is a huge change.

There is a growing concern that allowing the current lottery to expire will result in a return of the chaotic period that we experienced at La Guardia, with systemic delays, a lot of confusion, a lot of congestion in skies above La Guardia. I would like to know what your intention is about whether or not you intend to exercise your statutory authority to extend that lottery.

Ms. BLAKEY. I appreciate the concern. I will have to tell you that La Guardia is certainly a central focus of our strategic planning in terms of delay reduction. I think we learned a lot from the period in which the slot lottery expired, and certainly the kind of pressures on the system as well as the delays that the passengers in the New York area experienced. We cannot go back there. So I believe that at this point we are going to be looking at a number of different ways of approaching this. I will be talking with Secretary Mineta about it. Certainly we are aware of that deadline coming up. But I will give you real assurance that neither the Secretary nor myself is willing to see there be any kind of chaos in the New York area, and we will work to ensure that that doesn't happen.

Mrs. KELLY. When you make a decision, ma'am, I would please ask you to report back to this committee as rapidly as possible once that decision is made.

Ms. BLAKEY. Well, let me point out two things. Number one, the deadline in October, which is the issue of just extending the existing situation, we have already addressed that by extending that cap, and that will go out through 2007. So in terms of any return to a free-wheeling situation, we are not going to have that. What we are looking at is whether that approach is the best one, a slot lottery of the type that we have, or would there be better mechanisms to allot the capacity at La Guardia. As you probably know, there have been a number of different proposals in terms of auction mechanisms, ways to allow the market to work better in this situation, and obviously as traffic patterns have changed, the pressures on La Guardia are different than they were when the slot lottery was designed. So I think what I would like to report back to you on would be some of those ideas and thoughts as to where we may go with this. But, as I say, there is no near term concern that there is going to be a free-wheeling situation.

Mrs. KELLY. My office would be glad to work with you in any capacity to make sure that we never return to the situation we had at La Guardia prior to the slot lottery. Thank you.

I yield back the balance of my time.

Mr. MICA. Gentelady, Mrs. Johnson.

Mrs. JOHNSON. Thank you very much, Mr. Chairman. I would like to pose a question to Mr. McHale.

I would like some explanation as to why TSA is reducing screeners at DFW Airport by nearly 200 when the airport has a new ter-

minal coming on line very soon. The Federal security director has stated that half of the current 28 passenger screening lanes will be closed, while only 8 of the planned 16 passenger screening lines will be open in the new terminal. As I mentioned in my opening statement, this will increase the average passenger screening wait to one hour. I know you can understand how devastating this would be. Question one.

Question two: Is DFW on this list of 25 airports identified for additional assistance this summer?

Mr. MCHALE. DFW is one of our focus airports.

I am really not sure where that reduction number comes from, because we have been, in fact, hiring at DFW, and we continue to do so. Where I think the issue may be is—and this is something we have faced across the Country—is that a lot of airports are operating off a number that was given to them early last year when we were at 49,600 screeners. As part of the plan as directed by the Congress we reduce to 45,000, we have different allocations. But DFW is understaffed, and we have been hiring there and bringing people on, so there will be quite a few more screeners. Back in March they had about 1,080, and they have been hiring the last few weeks, and I expect them to have over 1300. So I am not sure where that number comes from.

Mrs. JOHNSON. DFW?

Mr. MCHALE. Yes. We are hiring there.

In addition, congresswoman, because they are building the in-line systems there, as those in-line systems come on board, as the Chairman pointed out, there are very significant efficiencies that enables us to redeploy screeners both from baggage to passenger, and in some cases between airports. And DFW is moving very smartly out on that program.

Mrs. JOHNSON. Thank you very much.

Thank you, Mr. Chairman.

Mr. MICA. Thank you.

We lost Mr. Porter. Mr. Isakson.

Mr. ISAKSON. Thank you, Mr. Chairman.

Mr. McHale, first of all, I want to compliment TSA in one area. The professionalism of the screeners, in my judgment, has become more common from airport to airport and has continuously improved, in my judgment, and that is a great improvement. That is the good news.

Now, I don't want to be piling on in the fourth quarter, but I want to give you a little background before I ask you my question. Around the 15th of March we held a hearing here with Admiral Stone and others, members of the leadership of the various airports on the second floor of this building. Two weeks later I had a meeting along with Senator Saxby Chambliss in Atlanta with Ben DeCosta, Willie Williams, Beverly Harvard, and Regional Director Burke over the specific problems in Atlanta. And I know everybody is talking about the problems in their backyard, and I am sure Atlanta is one of the 25 airports because of its size and scope, but I would like to tell you what I believe is happening. I would like to make a very sincere request.

TSA abandoned the 10-minute standard some time ago, and I understand that. TSA has been reluctant to establish any minimum

standard since then of a uniform nature for the system, and I think that is because they have been trying to get their arms around the problems that you have heard discussed here. However, it is my personal feeling I don't think the crises taking place at the airports are rising to the level of intensity at TSA Central as they should

Monday of this week in Atlanta, the line was literally a mile long and it was 90 minutes minimum to get through security. It was the third day this year where the 90-minute standard was the standard. Now, I am a traveler in and out of Atlanta all the time. I plan on being out of my car and in the terminal an hour ahead of time, because I plan on it taking me 30 to 45 minutes to go through security; and many times it doesn't, but enough times it has. But if 90 minutes were the plan, it would be impossible, given the nature of my job and most other people's jobs.

As a constructive critic at TSA, after complimenting the professionalism, which was sincere, you all must—we are 60 days away from the heaviest travel this Country has ever experienced, and I am really worried there is going to be a significant meltdown probably at any number of these 25 airports. TSA has got to develop a meaningful plan. If you are at 45,000, and I would bet there may be as many as 10 percent of those people in the training pipeline, so that is why they are not on deployment. But you have got to take these 25 airports and you have got to have a game plan, and the airport administrators have got to know what the game plan is, and the travelers need to know that.

If the minimum standard that you are trying to reach is 30 to 45 minutes, it is better to know that than to make your own calculations and then find out there are enough days when it is 120 minutes or 90 minutes and you just back up the entire system. So I plead with you. I am not complaining, I am trying to offer constructive criticism. I don't think the difficult situation that is now apparent at a number of airports has risen to the level of notice here that it needs to. And I talk to Willie Williams all the time, and I talk to all these people. At Monday I am at the airport; Asa Hutchinson is coming down. We are working on that. I am doing all I can, but I am afraid this summer a lack of coordinated planning and a commitment to standards, combined with the heaviest travel we have ever had, is going to cause disproportionately horrible experiences and be very damaging to TSA.

And just as one member, whether it is Orlando, Atlanta, Las Vegas, DFW, whatever it is, I hope this partnership that you are working with with the airlines and the airport administrators includes a commitment by TSA to a uniform standard that can be acceptable and a standard by which TSA can be held accountable.

And I apologize for the statement rather than a question, but I am serious as a heart attack.

Mr. MCHALE. Thank you, sir. In Atlanta, just specifically, one of the problems, as you know, is that there is a geographical physical constraint, and the airport is stepping forward, giving us space for four more lanes in that very congested area. We will have those equipped and we will have those staffed in time for the summer season. We are hoping that that will make a big difference in Atlanta.

You are right about trying to get a standard across the Country. That is critical to let people plan. Some airports we have the physical constraints; other airports we are bringing on more staff to address that. Those are the kinds of things we will be looking for.

Mr. ISAKSON. Thank you very much.

Mr. MICA. Mr. McHale, you just hear from us. I have 434 frequent fliers that I hear from Monday when I get back from Washington.

Mr. LARSON. Oh, Ms. Berkley, I am sorry. You are next.

Ms. BERKLEY. Thank you, Chairman Mica, and thank you for your remarks about Las Vegas. It is very good to know that you feel my pain.

Also, I would like to thank Ms. Blakey regarding her concerns about Dulles. I fly out of Dulles every week to go home, and that is a nightmare of an airport. So anything we can do to help Dulles is important as well.

I have two questions for the Deputy Administrator, and I think I speak on behalf of my colleague, Mr. Porter, on the other side of the isle, who has the exact same concerns, since McCarran is pivotal to both of our districts and all of our constituents.

We have been hearing rumors. There are rampant rumors throughout Las Vegas and McCarran Airport that TSA might be reducing the number of screeners at McCarran. Now, obviously at a time when our airport continues to grow and the airport is adding checkpoints. And there are seven checkpoints that are being added, not six. When I initially did my opening statement, I said six. It is seven. We need an assurance that TSA is not going to reduce the number of screeners at McCarran, and hope that not only don't we get reduced by 50, but we get increased so we can cover the seven additional gates that are being built as we speak.

Mr. MCHALE. As I said in my opening statement, we learned a lot of lessons from previous peak seasons, and I think we learned the hardest lessons at McCarran. We have a great Federal security director there, who I know has worked very closely to address a lot of those problems and issues, and we have been able to reduce the load there, the lines there. The extra lanes are now really the critical part of reducing or maybe eliminating a lot of the waits, so we are looking forward to getting that in place. We will fully staff those lanes.

Ms. BERKLEY. All right, thank you. And there is one other question that I have, and I appreciate that fact very much. But you are not cutting 50 and then giving me a few more for the seven, are you? You are not "taketh away and givething" me at the same time?

Mr. MCHALE. I don't think so.

Ms. BERKLEY. OK. All right.

Are you suing O&D passenger numbers in your formula for screener allocation?

Mr. MCHALE. Yes. That is really the number that makes sense for us. That and the layout of the airports, because we reach a certain point where there is no point in pouring more screeners in if there aren't the lanes. You also have areas where you can't get from one part of the airport to another, so you have a lot of dif-

ferent checkpoints. But there are a lot of things that go into our formula, but we do base it on O&D, not on transiting generally.

Ms. BERKLEY. Thank you very much. Appreciate your help.

Mr. MICA. Thank you.

Mr. Larson?

Mr. LARSON. Thank you, Mr. Chairman.

First question by Mr. McHale.

By the way, thank you to all of you for coming this morning.

For Mr. McHale, obviously we have had some turnover recently at Sea-Tac, and I appreciate your boss's quick action on that in taking that action. With those changes and leadership at Sea-Tac, with the new FSD coming aboard, when do you expect that the new Sea-Tac FSD will have a plan in place? He is going to be dealing with not only the fact he is the new guy in town, but also that it is summer season and we have to have a plan to move forward. When do you anticipate the new Sea-Tac FSD, whose name is Mr. Utley?

Mr. MCHALE. I believe that is correct, yes.

Mr. LARSON. When do you anticipate he will have a plan?

Mr. MCHALE. Right now we have Ken Kasprison there as acting. He is from Minneapolis. He too is one of our best FSDs. We brought him in there to get a jump start on the process. I believe the new FSD reports in about two weeks from now. He is obviously very aware of what he is walking into, and I would hope that we will start getting reports after he has been on the ground in a couple of weeks about his plans and then a full plan probably about a month or so after that.

We have made a lot of progress at Sea-Tac working with Gina Marie Lindsey, and we are going to—

Mr. LARSON. We are all going to miss her.

Mr. MCHALE. Yes, we are going to miss her as a partner, but it has been great partnership there. But we have a lot of problems on the ground, but the airport has worked with us to make sure we are able to meet the 100 percent electronic screening target even while we are moving to the permanent solution, and that has been a great help there.

Mr. LARSON. What kind of assistance do you anticipate Headquarters providing Mr. Utley through this transition so that we are not falling behind on screeners and just trying to do the job we want people to do?

Mr. MCHALE. We are going to be providing them with additional HR resources, labor relations resources out there, as well as basically whatever additional help he needs to get his hands around the issues. We will provide it either from Headquarters or from experienced—

Mr. LARSON. Can I write that down, whatever additional resources he needs?

Mr. MCHALE. You can write that down, sir.

Mr. LARSON. OK. Is Sea-Tac one of the 25? Everyone is going to ask this.

Mr. MCHALE. Yes, sir.

Mr. LARSON. All right. Thanks.

Administrator Blakey, with the summer delay plan they have in place, what kind of thought have you provided to the impact on

general aviation? Have you worked with the general aviation community on how that might impact them and can you comment on that?

Ms. BLAKEY. Absolutely. We have worked very closely, in fact, with AOPA, with the general aviation groups, because we believe that if we can reduce delays, this will benefit the GA community, just like it will everyone else. And we have been very careful to point out, too, that when we talk about airports where we may experience, all of a sudden, real congestion, sometimes that is a function of GA. Business aircraft out of Teterboro, for example, a major sporting event, whether it is Savannah, Georgia or whether it is down in Florida. But the ability to then apply the delay triggers and move those aircraft out is a part of what we will be doing.

Plus, I would point out that we are moving ahead smartly with our GPS enable technical for the GA community, what we call WAAS, the Wide Area Augmentation System, and we are moving out with new procedures every day from that standpoint. So I think the GA community is going to be very pleased with both the capacity that is there and the ongoing attention to their needs.

Mr. LARSON. Another question for you, Administrator Blakey. You are sort of in the middle of your reorganization. We saw your graphs and charts and how things are changing for you. The aviation industry is changing as well. And there seems to be some thought that there will yet be more point-to-point trips, as opposed to hub-to-hub trips. Does your plan anticipate that shift in the aviation industry or are you going to be changing again to accommodate more point-to-point trips? How does the plan play into that?

Ms. BLAKEY. Well, the essence of this plan really is a dynamic daily flexibility. That is really what we are counting on here. Therefore, you are quite right in pointing out that there has been a very dramatic shift in terms of point-to-point, in terms of numbers of regional jets in the system. But we believe that the kind of approach we are taking is really going to be able to move realtime on this in a way we haven't before.

I might ask Russ Chew to address this as well.

Mr. CHEW. The projections of traffic are studied in great detail. And, of course, if all of us could exactly predict the future, then—

Mr. LARSON. I wouldn't be here.

Mr. CHEW. That is right. So what is important is not only that we do very detailed ranges of predictions, but we also build a strategy that has nimbleness to it, it allows the organization to adjust and adapt to changes in conditions, because prior to 9/11 of 2001, we had no idea what was coming before us, so we have to prepare ourselves for that type of nimble response to whatever the market throws at us, and that is something different for the agency and really a fundamental part of the new Air Traffic Organizational structure.

Mr. LARSON. OK. Thank you.

Thank you, Mr. Chairman.

Mr. MICA. Thank you.

Mr. Lipinski?

Mr. LIPINSKI. Thank you, Mr. Chairman.

First of all, I want to say to the TSA that I fly out of O'Hare Airport, and I fly out in the morning, in the afternoon, the early evening, in the evening, and at O'Hare Airport in the United terminal, your operation is very effective, very speedy, very efficient, and I compliment you on it.

Mr. MCHALE. Thank you.

Mr. Lipinski. Now I would like to talk about Midway Airport.

Mr. MCHALE. You fly out of there too?

Mr. LIPINSKI. No, I don't fly out of there, but it happens to be eight blocks from my house, and I remember when it was the world's busiest airport, I remember when it was a ghost town, and, fortunately, in the last 22 years, it has grown considerably and become a very worthwhile airport once again.

Are you aware at all of the problem that Midway Airport had last summer?

Mr. MCHALE. Yes.

Mr. LIPINSKI. OK. Now, from last summer to this summer we are going to increase 11 gates, up to 43 gates we are going to have. Now, last summer we had a horrendous problem, as you say you are aware of. I met with Admiral Loy, I met with his assistant; they were out there, so forth and so on. And we started out last summer with, I believe it was, 9, perhaps 10 security checkpoints. We ultimately increased that to 14, and at that point we did get a handle on the situation and it started to flow quite smoothly. But, as I mentioned, we are going to have 11 new gates. It is a total of 43. Forty-one of the 43 are up and running at the present time.

But, to me, the answer to the ultimate solution over there—are you familiar with the configuration?

Mr. MCHALE. Yes, sir.

Mr. LIPINSKI. Well, you seem like you are familiar with the whole thing. How do you think it is going to go this summer at Midway, having the same bottleneck because of the one causeway across Cicero Avenue, with the increase of 11 gates? And I don't believe it is possibly, physically, to increase the number of checkpoints beyond the 14. What do you envision for this summer at Midway?

Mr. MCHALE. It will be difficult. The question is not just how many additional gates, but actually how many additional passengers passing through security that translates into.

Mr. LIPINSKI. I understand it is the fastest growing airport in the Country also.

Mr. MCHALE. It is growing very quickly.

The 14 checkpoints that we have there will help, but the lines will get longer there. We have talked with the airport authority about trying—it is a physical constraint problem. I mean, we can't add anymore people there. We do have a few changes in our procedures involving the way we move baggage through x-ray machines and other sorts of things that will help. And, again, this is going to be something where I think, at an airport like that, where we are very constrained, we really have to take advantage of getting the passengers to get themselves ready. We can increase throughput by 20 percent if we can get all the passengers to get ready to



get through the checkpoint. So a place like Midway is a place where we really have to focus on getting all the efficiencies we can.

I think we need to sit down very carefully with Chicago and talk about the long-term future of Midway, how they are going to handle it. You are right, that causeway is a choke point. And how are we going to move forward on that as partners, the airports, the air carriers, and TSA to address Midway in the long-term, if it is going to continue growing at that kind of rate? Because we can't put really much more in there.

Mr. LIPINSKI. Well, you certainly can't put many more people across that causeway, there is no question about that. And there have been a number of meetings between the TSA and the City of Chicago, and I think the FAA has sat in on the meetings also, and I personally have been involved in some of the meetings, and the only solution to the problem, as I see it, is to build another causeway from the terminal to the concourse across Cicero Avenue. And the biggest problem seems to be no one wants to pay for the new causeway. The City of Chicago's position is that it is a security problem. Before the TSA came into being, what was constructed there would have worked fine, but since we now have the TSA handling security, we now need a second causeway, so it ought to be the TSA that pays for the causeway.

I talked to the administrator about it, and she says, well, if the city wanted to use some of their money that flows back from us, we would be happy to allow that to happen. But I think everyone is going to have to sit down once again and really work on this problem, the City of Chicago Aviation Department, the TSA, and the FAA, because it is going to happen.

Mr. MCHALE. Right.

Mr. LIPINSKI. I saw firsthand numerous times last year—and, as I said, I don't fly out of Midway most of the time, but I have observed it.

A point that you raised and I raised earlier in my opening statement pertaining to educating people. I think one of the reasons it runs as efficiently as it does at O'Hare and the United terminal is the fact that the TSA employees who are there do an extremely good job of telling people exactly what is coming as far as the security goes. I see very few people there ever having any problems with their shoes because most of the people that are working for the TSA convince the people moving through they ought to take their shoes off. And there are numerous other things that they do.

Now, to help at Midway, I think that there should be a special emphasis put on education also. And on the occasions I have observed it, because it is close to my home and I know what the problem is, I do go over and observe it, there doesn't seem to be that educational attribute to the situation over at Midway Airport. So I think if there was a little more emphasis placed upon that.

Mr. MCHALE. I will take that back on Midway. Part of the summer plan, actually, is really a collection or a guidebook of the best practices from different airports, including scripts and things that we can suggest to the screeners they use to help educate the passengers as they come in. So we have a fair amount of confidence that that kind of process is going to help us with the through-put.

But there are places like Midway where it is just very, very constrained.

Mr. LIPINSKI. But we have to get back to another causeway across Cicero too, because I know, as we are all sitting here, there is going to be a day in July and August when it is 95 and the humidity is 150 in Chicago, that you and perhaps the administrator and I and people from the Chicago Department of Aviation are going to be sitting at Midway Airport discussing this problem again.

Mr. MCHALE. On the causeway.

Mr. LIPINSKI. Mr. Chairman, are you going to have another round?

Mr. MICA. Oh, we will stay here as long as——

Mr. LIPINSKI. OK, thank you. Well, fine. Then I will let somebody ask—because I haven't got to the FAA yet. Thank you.

Mr. MICA. Mr. Duncan?

Mr. DUNCAN. Thank you very much, Mr. Chairman.

Ms. BLAKEY, let me ask you first. I was told by someone a couple of weeks ago with one of the airlines that each one penny increase in jet fuel costs the aviation industry as a whole \$400 million a year, and that was quite a bit higher than some other estimates I had heard of that in years past. I know you said that air traffic is roaring back, and there was a story in the Knoxville paper just yesterday morning which said that we are now having double digit growth each month at our airport. Have you done any study or do you have any concerns? You know, we have got some of these major airlines that are still in bankruptcy or talking about going into it, or U.S. Air is talking about going back into bankruptcy. What happens if these oil prices stay where they are or perhaps go even higher? Have you looked at that or thought about that?

Ms. BLAKEY. Well, certainly in talking to the Air Transport Association representing the major airlines, we are aware of the fact that they see this as a tremendous problem for them at this point, and in talking with airline CEOs, a number of them have pointed out that that made the difference in the last quarter, whether they could get out of the red into the black, and they were not able to because of the issue of fuel costs.

What we, of course, are doing are trying to streamline the operations everywhere we can and reduce delays, because delays go directly to the issue of fuel costs. And as we are able to make our approaches, our departures more efficient, as we are able to give more direct routings, as we are able to ensure that the carriers are able to request and use the best altitudes from a fuel burn standpoint, all of these are things that we can do to help address that. So we are trying on a very practical level to be good partners in that regard.

Mr. DUNCAN. Well, I will say this, I think you are doing a great job in a very difficult position. But I just am concerned about these oil prices and hope they don't go any higher. Do you still estimate that 70 percent or something of the delays are caused by weather?

Ms. BLAKEY. If you look at weather very broadly, that is correct. Now, this doesn't necessarily mean, you know, dramatic weather, but when you look at low minimum, when you look at the kind of

everyday problems we have in the system with weather, it is a huge factor, no question about it.

Russ, you have done some calculations on that lately. I know we have a tough day yesterday, for example.

Mr. CHEW. Yes. As a matter of fact, because now we have the reporting of delay causes through the Transportation Statistics Bureau, we are able to take that and break that down further so that there is one category that stands out, the National Aviation System. And when we do break that out, weather impact, that is, anything from wind, rain, low visibility, storms, is by far the greatest contributor, and that is around the seventieth percentile depending on the time of year.

Mr. DUNCAN. Well, let me ask you this, just out of curiosity. You mentioned your consumer hotline a while ago. How many people are using that each day? Is it a lot?

Ms. BLAKEY. A lot, yes. We have got very good numbers coming in on it. I would like to get the latest ones for you because I can't read them off. But we have actually very active folks out there who see that as a way to get their input in a hurry, and we take it very seriously.

Mr. DUNCAN. Final question. Mr. McHale, let me ask you. Our staff has provided us with information saying that the attrition rate of screeners is now, at least one report says it is about 30 percent. Is that high? But tied in with that, on November 19th all the airports are going to have the option to in some way privatize their screening force. We have the five airports now, Kansas City and Rochester and Jackson Hole and a couple of others, Tupelo. How has that worked out? I know there was a recent report on that. Do you expect that no others or many others? What kind of report can you give us on all of that?

Mr. MCHALE. Well, first on the attrition rate, it is much lower than that. I believe it is below 15 percent. I will get you the current figure on that. Before Federalization it was running anything from 80 to 400 percent.

Mr. DUNCAN. But the pay was much, much lower.

Mr. MCHALE. Pay was lower, generally, and a lot of other factors went into that. But we think it is about below 15 generally. Higher in some of the urban areas, lower obviously in other areas. But I will get you the exact figure on that, congressman.

Mr. DUNCAN. OK, sure.

Mr. MCHALE. On privatization, we are moving forward with that. The committee has expressed a lot of interest, obviously, and we are going to get some guidelines out to the airports shortly that will give them a good sense of what we think the privatization program will look like so that they can make the decision on whether to apply. And we have heard all sorts of different figures from different places and different airports, particularly a lot of smaller airports. A number of smaller airports are considering privatizing. We have heard from a lot of major airports that they are not. So it is really too early to tell and too early to expect to hear because we haven't got the guidelines out.

Mr. DUNCAN. But the five where it has been done so far, are you satisfied with that?

Mr. MCHALE. Yes. The report that we have done shows us that the security and the costs are in line, so yes. I think it is very important to recognize that the way the Aviation and Transportation Security Act set it up really is, number one, to ensure that we had the same level of security. So we have got Federal security directors who oversee that contract. The screeners have met the same qualifications and the same training standards. So it is important. That was our number one goal, always to make sure that security was maintained at all those airports at the same level. So that was the number one thing. And then we look to additional costs and flexibility issues. And the guidelines will hopefully be providing as much flexibility as the law allows us to provide.

Mr. DUNCAN. All right, thank you.

Mr. MICA. If the gentleman would yield just a second.

I just want to make certain that—and I read this in the press. Usually the press does a pretty good job of reporting this, but I and no one has ever advocated that we return the screening process to the way it was pre-September 11. The Federal Government will be in charge of the screening process. The Federal Government will set the policy, it will conduct the oversight, it will conduct audits and still be in charge of the entire system. What we have talked is reducing—and right now TSA does not itself do the recruiting, the training, and some of the deployment; a lot of that is done by a centralized system from Washington. We are talking about decentralizing that, and we would have private contractors perform that. The five airports that now have private screening companies have Federal supervision, Federal oversight, Federal policy, and in one of those airports, I understand, the airport runs the screening system.

Mr. MCHALE. That is right.

Mr. MICA. And the four others it is a private contractor that is retained.

Mr. MCHALE. That is right.

Mr. MICA. So everybody get that in their brain, that no one is talking about—the Chairman never has said that we turn this back over to the airlines or have the Federal Government out of this. I hope people understand that very clearly. OK? Any questions, come and see me personally.

Mr. Menendez, waiting very patiently.

Mr. MENENDEZ. Thank you, Mr. Chairman.

Mr. McHale, I represent Newark International Airport.

Mr. MCHALE. Yes, sir.

Mr. MENENDEZ. First of all, do you consider TSA to be responsive to Congress?

Mr. MCHALE. Yes, sir.

Mr. MENENDEZ. You do. Did you hesitate for a reason?

Mr. MCHALE. I wasn't sure what your concern was. As far as I know, we are responsive.

Mr. MENENDEZ. I will share it with you. Nearly a year ago to this date I and several of my colleagues from New Jersey, some who are members of this committee as well, wrote to TSA and we basically said the following: that unless the issue of understaffing at Newark International Airport, one of the busiest in the Country, aggressive action was taken, that the delays and inconvenience experienced by

air travelers transiting through Newark Liberty would get worse as the attrition rates, and many of the explosive detection devices would not even be operated, they would continue to remain idle.

Now, it seems to me that our worst fears have come true a year later, which is why I asked you whether you considered TSA to be responsive. If I waited a year to respond to my constituency the way TSA responds to us, I would be out of office.

Now, TSA originally authorized over 1300 full-time screeners for Newark. And then in May of 2003 it proposed reducing that to 1,032, a loss of over 273 screeners. And then it came back and decided that 1261 were needed, and now from press reports I understand you are looking at maybe 1600 full-time positions. Why did it take so long to figure out the minimum screening capacity that you need? Question one.

Question two: I read a press report where you are quoted, and it says that you told another committee of the Congress that within 10 days, this is a quote, "we will have security at Newark at the level that is required." And then I read that one of your agency spokesperson clarified your remarks, saying that what you meant was that preliminary background checks would be done and jobs would be offered in a couple of weeks, and that within the next several months. And then I read that your communications director said, no, that person was wrong and you are right.

Well, let me tell you something. I don't have the luxury anymore of waiting for TSA to get it right. I want to know today, on the record, when will you have the staffing in place. I don't want to hear about job offers. I don't want to hear about training. I want to hear when will you have the people in place to meet the demands and, secondly, to ensure that explosive detection devices are fully staffed.

This is an airport that has a September 11th history, and we continue to play, I believe, with the lives of people. It is unacceptable. So give me an answer. When will we have the staffing? Give me the date when we will have the staffing necessary to meet the challenges both for explosive detection devices and for the screening.

Mr. MCHALE. Congressman, it is never a good story when it begins with what the deputy administrator meant to say. What the deputy administrator meant to say is what he said, and what he said was we will have the staffing there in 10 to 14 days. And we will have the staffing there in 10 to 14 days. We will be staffed at the level we need. Now, some of those screeners in 10 to 14 days will be in training. The training is about a week long. But even before those screeners graduate from training, we will have enough staff there. So we are today complying with the law. We have been complying with the law in Newark in using alternate means, but we will be screening at that airport with the explosive detection equipment within—in fact, we are doing a lot of it today. We are doing a huge percentage of it today. But we will be in compliance within 10 to 14 days completely.

Mr. MENENDEZ. Well, let me explore what compliance means so that we are speaking on the same page.

Mr. MCHALE. Without alternate means.

Mr. MENENDEZ. So that in 14 days, at the maximum, in two weeks, every bag that goes through Newark Liberty International will go through an explosive detection device machine?

Mr. MCHALE. Yes. But let me add a caveat for the entire Country, because this is very important to say. On any given day we have conveyor belt systems go down, we have EDS machines go down that can take three to four hours to repair. We can have a flu epidemic in an airport. That is why Congress gave us the ability to use alternate means. But on a routine, normal day at Newark, we will be at 100 percent electronic baggage screening.

Mr. MENENDEZ. And you will also have the personnel ready to be able? Because we don't need the summer to have incredible problems, we have enormous problems well before the summer. You are also going to have the staffing in place that will deal with the demands of passengers going through the screening process?

Mr. MCHALE. Congressman, we have one of our best Federal security directors at Newark, Marcus Arroyo. I talked to him today, I talked to him about this. I have talked to him quite frequently. I spent three days in Newark in January looking at the issues and the problems there at the airport. There are some physical issues there, some physical constraint issues. It is a very tight airport, particularly in some of the older terminals. That makes it very difficult to get the capacity to move people through. But to the extent that we can deal with the capacity issues, the physical constraint issues at that airport, we think we are well positioned to do the best we can in that layout.

Mr. MENENDEZ. Final question, Mr. Chairman.

When you have your staff in place, what will be the longest time period that anybody will have to wait to go through screening?

Mr. MCHALE. There are two terminals, two checkpoints there that are not big enough, they are not big enough in space. There isn't enough space to make those checkpoints bigger in those terminals. Those lines will be longer. I do not know how long they will be; I will find out.

Mr. MENENDEZ. Which terminals are you referring to?

Mr. MCHALE. I believe it is where Delta is. It is a B terminal. It is fairly narrow. I believe as you come in from the curb you enter into a fairly narrow space, you go down a flight of stairs and pretty much into the checkpoint. It is very tightly constrained. In fact, there is one that is sort of triangular shaped that is very awkward to work in.

Mr. MENENDEZ. Other than those, how long will someone have to wait to go through the process?

Mr. MCHALE. I would have to work with FSD. I will get you that number.

Mr. MENENDEZ. I would appreciate getting it.

Thank you, Mr. Chairman.

Mr. MICA. Thank you.

Another round, Mr. Lipinski?

Mr. LIPINSKI. Thank you, Mr. Chairman.

I wanted to talk a little about my second favorite airport, O'Hare. We all know that we have the OMP, the AOL, the EIS going on at O'Hare Airport. I will soon be sending you a letter trying to encourage and motivate—I am speaking to the administrator—to

move all of these along as quickly as possible. In that letter we will be stating why we need to have this done as quickly as possible, why the national aviation system in this Country and internationally needs to have this done. But I think that you have already demonstrated, this year, why we have to get all these approved as quickly as possible, and that is that, from our standpoint at O'Hare, it seems like the high density rule is once again being imposed on O'Hare Airport with the two reductions. One has taken place in flights. Has the second one gone into effect as of yet?

Ms. BLAKEY. It will be going in effect the beginning of June.

Mr. LIPINSKI. OK-doke. Do you foresee any additional ones coming this summer?

Ms. BLAKEY. It is very hard to predict how things will go, and obviously we are moving into the busiest period. I would simply stress that there is no additional capacity at O'Hare during the peak periods, 1:00 in the afternoon until about 8 in the evening, so we cannot take more flights in there without really seeing it disrupt the system. I can't predict, obviously, what will happen, and we are monitoring it very closely.

Mr. LIPINSKI. I understand that it is United and American Airlines that have been asked to voluntarily reduce flights. That is correct?

Ms. BLAKEY. That is correct.

Mr. LIPINSKI. Do you know off the top of your head the combined United and American percentage of flights in and out of O'Hare?

Ms. BLAKEY. I can get that for you. It is certainly very high. As you know, it is a hub for both airlines. So I would suggest that they probably have perhaps 70 percent of the traffic overall. Let me see if someone here has got—I was down by 10 percent. Eighty percent. That is very high.

Mr. LIPINSKI. Stacey was right; that is what she told me earlier. She said it was 80 percent.

Ms. BLAKEY. I should have asked Stacey. I might have known.

Mr. LIPINSKI. Well, she put a caveat on there. She said she hasn't checked it recently, but she believes it is 80 percent. So I thought that we would ask you also.

Has there been any thought about asking the 20 percent of the other flights in and out to be reduced at all? Why have you just talked with American and United? And the reason I ask that is a potential competition problem arising out of the fact that we are only asking American and United to reduce flights, even though, as we know now, they have 80 percent of the flights in and out.

Ms. BLAKEY. I think there are a couple of factors involved. Number one, the situation that we were addressing was one that began really back in November, when American closed the hub in St. Louis that they were operating and then began putting a lot more flights into O'Hare as a result of that. That caused United to step up and begin increasing at the same rate, roughly, flights going in there. So it was a phenomena that really was triggered by those two airlines, and the increases were largely there.

Number two, the other 20 percent of flights are distributed widely among a number of airlines, many of which have very few flights that they could reduce. So it would have a disproportionate impact on their operations if we asked them to take out one of only a

handful of flights that they have in a day in and out of O'Hare. And, of course, the ability to serve smaller communities, the ability to make certain that we are still sensitive to the needs of a lot of cities around is a part of the calculation as well. United and American are better able to balance those within their overall schedule.

Mr. LIPINSKI. A concern that I had too was the small and medium sized cities being served, and it seems to me, if my memory is correct, that actually United and American served a number of those small and medium sized cities. And I am concerned that if we have another round of voluntarily reduction of flights, it is going to start negatively impacting on those small and medium sized cities, if it hasn't already, because if it is continually just held to United and Midway. So that is something that definitely has to be taken into consideration.

Has the capacity problem at O'Hare been exacerbated by the fact that a number of the air carriers are going more and more to regional jets?

Ms. BLAKEY. Well, certainly overall in the system, and Chicago is a good example of this, we are seeing a very high number of operations without the same through-put, if you will, in terms of numbers of passengers, because of the shift to regional jets. Now, I will say this. We have a fair amount of confidence in the correcting mechanisms in the market, that when the carriers do see that they have sufficient overall numbers of passengers, they will be also shifting the equipment as that is argued for. So it is something that is not a stable static situation, it is one that does change with the dynamic in the market, and we would expect to see some of that. On the other hand, it has to be recognized that the regional jets have proved highly cost-effective, and in the current economic circumstances of the airlines, that is going to be a prime determinant.

Mr. LIPINSKI. Well, O'Hare being, along with Atlanta, the busiest airport in the world, depending upon how you count it, obviously Atlanta counts it one way and O'Hare counts it another way, but O'Hare being so important to the national system and the international system and the fact that you are reducing flights over there, and, as I say, it does concern me very much because for a long time I fought about lifting the high density rule at O'Hare. But I think, more importantly, it points out that we really need to accelerate the modernization of O'Hare Airport, and we really need all the entities involved in approving the plans for O'Hare to really concentrate on it and get it done as quickly as possible so that O'Hare can operate efficiently, safely, and continue to expand, because the Nation needs it, there is no two ways about it.

Thank you very much.

Mr. MICA. Mr. Boswell?

I have a couple of closing questions. First of all, Mr. McHale, I was handed this information on Las Vegas. Between 8 and 10 percent of their screeners are out on worker's comp. Now, do those positions count as being filled or are they vacancies out of the 840 screeners?

Mr. McHALE. They count against the 45,000 cap, and they do count as being filled because those people can come back to work



and we work with them to get them back. Sometimes we get them back initially into light duty positions and administrative positions.

Mr. MICA. If we had 8 to 10 percent across the Country—I think the smaller airports aren't as high—we are looking at—

Mr. MCHALE. It is probably less than that across the Country. In fact, it is considerably less than that across the Country. You get much higher in some of the international airports where some of the baggage is extremely heavy. Las Vegas being a resort community, there is some fairly heavy baggage there as well. I would think that is on the high side for the Nation.

Mr. MICA. You all told us 5 percent are out nationwide last week.

Mr. MCHALE. That is probably—

Mr. MICA. So that's 2,000.

Mr. MCHALE. That is probably close to about right, yes.

Mr. MICA. OK.

Mr. MCHALE. I can get you today's figure, if you want it.

Mr. MICA. Well, again, we have vacancies with people leaving their positions. We haven't talked about that. And we are experiencing more turnover. And then we have some with worker's comp. claims who may or may not come back. And it does account for a significant portion of the workforce, and getting people back, recycled and deployed to these checkpoints or responsibilities.

Mr. MCHALE. Screeners tend to be a pretty patriotic lot. We have a lot of people on military leave, too. So we have a lot of people out—

Mr. MICA. Tens of thousands of them do a great job. They are wonderful people and they are very professional. We just have some problems that we have to continue to straighten out. And you have only gotten a sampling today. And we have done this behind closed doors, and at some point we have to air some of the laundry, and you are only getting a sampling of the pain I feel every beginning of the week when I get back here.

Dr. Chew, this is one of the biggest reorganizations ever undertaken by FAA, right?

Mr. CHEW. That is right.

Mr. MICA. And you are trying to get a business-like structure. All the vice president positions are filled?

Mr. CHEW. They are all filled now.

Mr. MICA. OK, question. I set you up now. Is anybody going to lose their job or has anybody disappeared? Usually in a business reorganization, God forbid, and a Government reorganization, anyone should be minus their position. Has that taken place?

Mr. CHEW. It has. We have reduced the Federal executive workforce, the FAA through attrition so far by about 10 percent.

Mr. MICA. You have reduced the workforce?

Mr. CHEW. The executives. So if you take the number of executives, through attrition we are down about 10 percent.

Mr. MICA. You are not replacing them?

Mr. CHEW. No, we are not replacing them.

Mr. MICA. When you get through over there, can I move you over to TSA?

I know it is difficult, and I know we have met and talked about this, but tell me about the rest of your schedule. You have got the top layer of professionals in place, and I know it takes some time

to work your way down the chain of organization. Describe for the subcommittee just a little bit of how you would anticipate the rest of the schedule to go to complete the reorganization.

Mr. CHEW. We intend to complete the reorganization of the headquarters, which includes not only here in Washington, D.C., but the Tech Center and some of the training centers in Oklahoma City by the end of this fiscal year. We intend to complete the supporting activity value analysis, which is the catalog of all the activities and the hours and headcount equivalent numbers that go into those activities by the end of June. The analysis of those activities and how we would restructure or realign those resources both in dollars and people, and since people are mostly dollars in the budget, will occur before the end of September 30th so we can start the new year with last year's benchmark and be able to measure our performance next year.

The field organization and the restructuring of that, because if you think of most of the layers that we reduced, they are mostly here at the headquarters facility. The vice presidents each have actual field people reporting to them, rather than being many, many layers down. We have also eliminated all the deputy positions of the headquarter positions, so there is a single point of contact, accountability, and responsibility for every position. We are moving to more administrative support positions, and that will all be done also by the end of this fiscal year.

And we have already gotten the authority, though we haven't initiated the use of it, because we won't know until we actually evaluate the total number of contractor support people that we have supporting the headquarters organization, but we do have the authority to offer early out retirement to the workforce as well. But we won't initiate anything like that until we understand the full scope of the ratios of contractors to Federal employees and evaluate what makes the most sense there.

Mr. MICA. Well, you have heard my song and dance. I want you to do it sooner rather than later, and on an expedited basis. So, again, good luck in your effort.

One other question for Mr. McHale. This was handed to me. Do personnel who are out on leave for military service count against the caps, and do you have many in that situation?

Mr. MCHALE. We have quite a few, and my understanding is it does count against the cap, because those are treated as occupied positions, because, again, the person has the right to come back, and we don't always know when they are going to come back.

Mr. MICA. Any idea how many?

Mr. MCHALE. I will get you the number. I don't. It is quite a lot. It varies from day to day, but I will get it for you.

Mr. MICA. I also have a firm commitment within 60 days to come up—I have always wondered how we develop these communications director positions in the TSA bureaucracy at the local airports. I don't think they all have them, but—

Mr. MCHALE. No, they don't.

Mr. MICA. But now we found a job for them, because they can communicate, because they are going to be our busiest airports, with FAA, telling how bad the backup is. So maybe that would help a little bit.

And I don't want to see or hear of any members passing the line. Someone told me a couple senators got some escorts through. I want every one of these members, both the House and Senate, to suffer equally in these lines. If I hear of any, we will have a little session on that.

Mr. Ehlers, you came late. Did you have any questions?

Mr. EHLERS. Yes. Thank you. And let me just add I was dismayed to discover that cabinet secretaries don't have to go through the TSA lines. It might be good for them to do it just as we do.

I do apologize for having to dash off to two other hearings, or a mark up and a hearing, I had going on, so I hope I am not being repetitive. But one thing that has concerned me is just observing the change in the industry. First of all, the airlines, the addition of the smaller point-to-point planes, which is going to increase traffic, although it may relieve hub traffic. But if you are carrying fewer people per plane, you are going to have a busier air traffic control system.

Another factor is the increasing popularity of timeshare airplanes and industry allowing many more people to purchase a part of the plane, and that also increases the traffic.

And finally I am very concerned about general aviation and maintaining the full range of services for them, because they form a very important part of aviation in this Country as well.

How do those three factors get into the whole mix of what you are doing, and will you be able to deal with those effectively in the future?

And I should, by the way, mention that I am delighted to see you in this position, because getting money out of Congress for the FAA, particularly improvements, has been like pulling teeth. So we finally got someone who can handle the job.

Mr. CHEW. Thanks, I think. We have actually already done studies on what traffic loading and traffic patterns would be with smaller airplanes. A smaller airplane does two things to the system: it adds complexity to the system if they are not flying to the major airports and they are flying to the reliever airports. The other one is that a smaller airplane must follow a larger airplane with a greater distance because of weight turbulence problems. And so when you mix small and large airplanes, you actually reduce the capacity of the system by doing that. So it is very important for us to study what that reduction is, and we can project the amount of delay that that will impose.

The small jet situation, while it appears at first to be even more vexing, when you actually do the simulation, doesn't appear to be as hard until the numbers get to be very large as you look into the future, because they are very short-range jets, some of which don't ever make it up to the very high altitudes where a lot of the main-line congestion occurs. So they will have more alternatives, as will all of general aviation at the lower altitudes.

Now, general aviation is just as important a customer of the system because the system is owned and controlled by the U.S. Government, and so we feel very strongly about meeting the needs of all of our customers. And we want to do it not only better, we want to provide better services, but we want to lower the unit cost of providing those services, because every dollar we save we can apply

the dollar to even better services and invest in not only ourselves, but invest on behalf of all of those customers.

Mr. EHLERS. Now, you mentioned the following distance factor, but once you get the point-to-point, that is really not as much of a problem, is it?

Mr. CHEW. Well, it is not a problem at the airports, but because they are still flying between airports that are in or around major metropolitan areas, the actual bottleneck because the airspace surrounding the airport.

Mr. EHLERS. Right. And that was my point. I thought you were saying that there were problems of congestion at higher altitude too.

Mr. CHEW. Oh, I see. No. And, in fact, that is a very important part of some of the modernization activities that I showed in a chart that relies on the operations budget, not the capital budget, because if you look at runways and facilities, they are more located in and around airports. When you have to design new airspace, which is up high, that actually is driven by our operations budget.

Mr. EHLERS. And should we and you be thinking of, as we add runways, add runways specifically for the smaller planes? First of all, they don't need as long a runway, but, secondly, if you can keep them out of the pattern of the bigger ones, you can once again keep the planes closer together. Is that a factor in the FAA's planning?

Mr. CHEW. Yes, it is, very much of a factor, because we have a whole program called Required Navigation Performance, which is supported by the satellite navigation system, to be able to get away from the ground-based navigation facilities and decouple or deconflict all of these airport traffic patterns that are close together.

Mr. EHLERS. All right, thank you very much. I have no further questions.

Mr. MICA. Thank you.

If there are no further questions, Mr. Boswell moves that the record be left open for a period of two additional weeks for additional questions to be submitted. Without objection, so ordered.

Well, I want to thank you, Mr. McHale, for sharing my pain with me today. Again, we are all in this together trying to make it work. I am glad other members came in to express their point of view. Again, we don't mean to be parochial. We all have our own particular area and airport interest, but we do have to do a better job to deal with the increase in passenger account that we expect this summer. Eleven percent of the country's GDP is related to aviation, and we finally made that recovery. Out of the 3 million jobs that were lost after—and I have heard that so many time—since September 11th, 2001, I guarantee more than half of them were lost either directly related or indirectly related to this industry, and it is coming back, and we need to make certain that, again, that our expanded business activity which relies on aviation and passengers for vacation and other purposes are able to fly with some sense of dependability getting through security system from point to point.

So I thank each of the witnesses for being with us today. There being no further business before the Aviation Subcommittee, this hearing is adjourned. Thank you.

[Whereupon, at 12:43 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

STATEMENT OF MARION C. BLAKEY, ADMINISTRATOR  
FEDERAL AVIATION ADMINISTRATION, BEFORE THE COMMITTEE ON  
TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON AVIATION  
ON AVOIDING SUMMER DELAYS AND EFFORTS TO REFORM THE FAA AIR  
TRAFFIC SYSTEM, ON MAY 13, 2004.

Good morning Chairman Mica, Congressman De Fazio, and Members of the Subcommittee. It's my pleasure to appear before you today on behalf of the men and women of the Federal Aviation Administration. I will discuss our plans to ease air traffic congestion this spring and summer. With me today is Russ Chew, the Chief Operating Officer of our new Air Traffic Organization (ATO). Russ will provide you an overview of the ATO's structure and why its success is crucial to the future of air traffic. As you know, Russ is a veteran of this industry, but today marks his first opportunity to testify as COO. A COO for the FAA has been long awaited.

This morning, I will share with you our strategic plans to deal with the upturn in air traffic this spring and summer. But, before we discuss capacity, delays, and how we plan to simplify our management structure, please permit me to address safety. As you know, safety is and will always be this agency's top priority. It is Secretary Mineta's first and foremost priority, and it is mine. Every decision we make is done with the safety of the flying public in mind. The passenger demands safety, and that's what we deliver. I am pleased to announce that the three-year commercial airline accident rate is the lowest in history. That's a tribute to the men and women of the FAA and the industry we support.

**Combating Delays**

It has been three years since the FAA spoke to this Committee about delays. Aviation's return to full strength is a clear signal that our nation and our industry are healing.

Confidence in the system is being restored daily -- passengers are returning, demand is increasing, and these are all positive indications that aviation is on the mend. In 2000, commercial activity and passenger demand levels were at an all time high, and so were delays as a result. The agency began implementing new delay management tactics.

Since then, the traveling public, Congress, industry, and general aviation -- entities we now refer to as the owners and customers of the system -- began seeing results.

Following 9/11, the agency worked with this Committee and industry stakeholders to prepare for the inevitable return of air traffic. We needed to ensure that the agency was better situated to avoid the crisis of past summers. However, some aviation markets have fared better than others, and new trends have emerged. Low-cost carriers have become increasingly more profitable, while the larger "legacy carriers" have been restructuring and downsizing. Also, regional and commuter carriers have been replacing and supplementing flights once dominated by legacy carriers, as well as introducing new services that use longer range regional jets. As a result, we are seeing significant growth in the regional carrier market, and we expect it will continue to grow.

The changing demands of the market are being factored into how we manage capacity needs. Ultimately, we project that overall passenger demand and commercial activity at FAA air traffic facilities will return to pre-9/11 traffic levels by 2005. Some markets

already have. Fourteen of this country's top 35 airports have already exceeded their weekday operations' numbers April 2004 over April 2000.

As the aviation industry continues to rebuild, we are taking immediate and direct steps to avert a repeat of past delay-riddled summers. Our plan contemplates the myriad of factors -- some well beyond our control -- that contribute to system delays, including weather, security, airline operations, air traffic control, airports, infrastructure, and equipment. We are confident that this approach will provide effective inroads to manage the surge in traffic that will coincide with the busy travel season.

Just over two months ago, we convened "Growth Without Gridlock," a first-of-its-kind meeting of industry decision makers and the government. In a show of unprecedented cooperation among system stakeholders, the group agreed to a series of new procedures designed to head congestion off at the pass. We are moving away from the "first come-first served" model of air traffic when demand far exceeds capacity by issuing revised flight plans or rerouting some aircraft away from problem areas. The agreements at this meeting allow us to maximize utilization of available airspace under adverse conditions. Simply put, we're attacking delays from a "big picture" perspective, as opposed to using traditional, local tactics.

We also will impose minor delays on the ground to avert massive delays across the nation -- a concept we call "delay triggering." When delays at an airport are anticipated to reach 90 minutes or more, other airports sending aircraft into the congested area will hold flights until our controllers clear the congestion. Although this may mean brief delays for some flights, it will help prevent the massive delays that can occur system-wide when



critical airports become gridlocked. Tactically, we will also keep certain parts of the airspace around congested airports clear to allow for more rapid departures. This “express routes” concept is already in place at some airports, and we will continue to refine our initiatives by seeking feedback from air traffic controllers and industry on a daily basis.

In addition, we reached agreement to improve communication among the system users and the FAA. Airlines agreed to improve their input to the FAA’s flight schedule monitor system so that it will more accurately reflect the latest airline schedule plans. This move reduces unused airport capacity when flights are rescheduled or cancelled. Flight plans will be filed earlier, allowing for more time to address potential congestion problems. In addition, our relationship with the air carriers who participate in our daily conference calls has become more cooperative, reflecting our common understanding that we all have a stake in the process. The conference calls – every 2 hours during much of the day -- also provide an opportunity for feedback. Customers let us know if they believe they were disadvantaged by a prior day’s delay reduction measures or if they have ideas on how we can all improve the system. We take a hard look at the metrics, and we learn from mistakes. Continued cooperation is essential to the success of our spring and summer management plans. Delays are bad for business, regardless of which side of the ticket counter you’re on or where your general aviation flight is headed.

We’ve also begun an outreach program for the flying public, making it easier for the traveler to find out how efficiently the system is moving. Just yesterday, we made available [www.FAA.gov/wireless](http://www.FAA.gov/wireless), a new service. Now, travelers can get real-time airport

status and weather information, sent directly from the FAA's air traffic command center to their cell phone, Blackberry, or Palm Pilot. If you have a wireless PDA, you can find out in an instant what's going on with the system.

We're using the Internet as well. We've made arrangements with several commercial on-line travel services, such as Expedia, Orbitz, Travelocity, and Cheaptickets.com, to provide their websites with travel tips and updates on our efforts to reduce delays during the summer. And, we're in the process of making airport-specific flight delay alerts and information available via e-mail to individuals.

Our goal is to keep the passenger informed every step of the way. But, in the end, the passenger must check with the airline since they are the actual provider of the service.

I'd like to take a moment to recognize this Committee's role in addressing system capacity constraints. With the passage of *Vision 100 – Century of Aviation Reauthorization Act*, you provided additional tools to address unexpected challenges that threaten to reduce capacity or cause delay at critical chokepoints. We must be ready to react to situations when they unfold. In fact, *Vision 100* enabled us to take early action at Chicago O'Hare International Airport that reduced the over-scheduling and the resultant excessive delays that can impact the entire National Airspace System.

Two major carriers have hubs at O'Hare. The competition for market share is compounded by the obvious physical limitation on the number of planes that can take off and land during any time period. Moreover, it has been well demonstrated over the years that delays at O'Hare have the potential to cause delays at as many as 40 other airports

nationwide. Consequently, managing delays at O'Hare is essential to the effective management of air traffic nationally. Just recently, steady increases in flights, as the slot rules were phased out, led to growing delay levels. Because of the legislation you passed that enabled us to take action, Secretary Mineta and I asked United Airlines and American Airlines to make a 5 percent schedule reduction during peak travel times. This took effect March 4, and these two airlines will now further reduce their overall peak-hour schedules by another 2.5 percent by June 10. They will also adjust flights in key periods so that scheduled arrivals are within the airport's good weather capacity limits. Secretary Mineta has played a pivotal role in working with me to obtain the flight reductions that have proved to be so important in managing the delays in Chicago. The Secretary further demonstrated his commitment that he will continue to be proactive with respect to Chicago by traveling to O'Hare to speak with airline officials and tour the operational facilities of both American and United Airlines. He also spent time with some of the FAA employees who work so hard to make the system work at this challenging airport. I can assure you, on behalf of the Secretary, that we will closely monitor the changing situation at this critical facility and will use all tools available to us to safely manage the demands for capacity with whatever weather or schedule issues we are faced in the coming months.

The statistics we have reviewed with respect to our actions in Chicago do not alone tell the whole story of our challenges at O'Hare. It is important to understand that we experienced more severe weather this March than in March 2003, and had we not

reduced operations by 5% between 1:00 p.m. and 8:00 p.m. at O'Hare, the delays would have been significantly worse in Chicago and across the country. The efforts of both airlines to help address a common delay problem represent the cooperation we are counting on for this year's spring and summer plan.

Although it is not the focus of today's hearing, I would like the Subcommittee to know that our plans for improving the air traffic system extend well beyond the plans for this spring and summer that I have just detailed. Our Operational Evolution Plan is a rolling ten-year plan to increase capacity and efficiency of the national aviation system while enhancing safety and security. The OEP's objective is to add capacity enhancements that will accommodate a 30 percent increase in aviation growth over the ten-year period. Since the plan's inception in 2001, there has been a 6.5 percent increase in effective capacity due to both OEP activities as well industry initiatives, such as industry de-peakings that I noted above.

For the development of longer term plans and concepts for the air traffic control system, we have established, under the direction of *Vision 100*, an inter-agency Next Generation Air Transportation System Joint Planning and Development Office (Office). Its mandate is to coordinate goals, priorities, and research activities not only within the Federal Government but also in partnership with United States aviation and aeronautical firms. In creating and carrying out an integrated national plan to meet the future safety, security and capacity needs of the air traffic system, the Office will develop a vision statement for the year 2025 and capture the major intermediate steps and priorities that represent the coordinated decisions of member agencies, including NASA, DOD, DHS, and Commerce. While these decisions will be in broad four-to-five year windows, it will be

the individual agencies that will prioritize the specific projects and programs needed to carry out their individual portions of the national plan. Both the Secretary and I believe that the combination of these plans and programs—both near-term and long-term--will well position us to meet the future needs of the system.

Mr. Chairman, with a comprehensive plan in place, cooperative initiatives underway, and thanks to the tools provided to us by this Committee, we are ready for the spring and summer travel season.

#### **Status of the FAA's Air Traffic Organization**

Thanks in large part to the continuing strong support from this Committee, the FAA is completely restructuring how we manage air traffic services. Congressional support for greater efficiency and accountability at the FAA has enabled the FAA to be more flexible, adaptable, and business-like. Today, I want to tell you about our most recent changes and what you can expect to see in the future.

#### **First and Foremost is Safety**

We have added a new safety office to monitor the safety of our air traffic operations. It's an extra set of eyes. We've placed this office outside the ATO to ensure its independence, locating it within the FAA's Office of Regulations and Certification. We've also added a Vice President for Safety Services to the ATO, and we will conduct risk-targeted, data-informed audits that will provide trend analysis and review systemic issues. System change is essential to meet system challenges. Customers, the people, and entities who use our system want an agile organization that can adapt to the their

To do this, we are also developing new financial management tools to understand unit cost and productivity that will make a real difference in our fiscal effectiveness. Field managers need to recognize the costs of their decisions and headquarters' managers need to know which facilities are most efficient. Right now, the financial information is only reported at such a high level that neither the field nor headquarters' managers are receiving their cost data in sufficient detail. In addition, our capital assets are not being depreciated, which further contributes to the lack of important fiscal information reaching the people who need it to manage resources effectively. In the future, each Vice President will know the value of their decisions -- measuring their service performance -- in terms of safety and efficiency -- and what it costs to achieve it. To that end, we are developing new cost reports that include labor distribution information. Timely reporting on safety, costs, and operational performance will give us a better understanding where our limited resources are being used.

**Focused on Improving Service**

Modernization is not just about procuring new systems -- it is about sustaining existing infrastructure and changing operations to increase safety, expand capacity, and improve operating efficiency. Over the next few months, you will see us place greater emphasis on cost and value while maintaining our focus on safety. We will balance our capital investment portfolio so we can improve our services while we reduce our operational costs.

While it is true that a large part of the capacity solution comes from modernization in technology, it is not widely understood that modernization also depends heavily on our

requests for greater access -- and that is what we intend to provide. Indeed, with every change, we will ensure that safety is always our top priority.

#### **Improving the Way We Manage Our Resources**

We are taking the first steps toward fundamental change in the way we manage our finances and resources. Prioritization and realignment of resources is critical to the ATO's ability to manage the revenue generated by our tax-paying customers. It must be carefully allocated to match the strategic growth outlined in the FAA's Flight Plan.

To obtain a more results-oriented, more accountable process that will stem the growth of operational costs, we are integrating the authority and accountability for capital investments with the ATO. In the past, capital programs and operations have been managed separately, and success had been driven and defined by completing the capital program. But the operational outcome of the capital investment was not always measured, so the definition of success was not results oriented. Further, from a fiscal perspective, the capital budget was poorly linked to the future operating costs of any given procurement. Consequently, operational costs could increase year after year with no real consequences to the capital decisions or program portfolio.

Through a more integrated approach to managing capital and operations, the ATO will be in a better financial position to make long-term investments. We expect to be able to reduce our unit operating costs and fund near term operational improvements that are most important to our customers, employees, and the owners of the system -- as represented by all of you.

operations budget. For example, airspace redesign requires modeling and simulations, drafting and testing of new procedures, human factors and safety analyses, new publications and charts, and everyday monitoring and collaboration with our customers. This is a critical part of our comprehensive effort to meet the future demand needs of our customers. However, it is funded through the operations, and not the F&E budget. Eventually, all new investments in technology must be linked to our operations budget. That's why it's so important to invest only in those new technologies that our customers really need.

As of today, we are working to understand better what products and services our customers value. We want to eliminate unwanted services so that we can better invest in the products that will improve the system. Our activity value and workflow analysis, currently being executed with the help of Booz Allen, will help us to prioritize our services, improve customer service, and meet our owner needs. It will enable us to better realign our resources to meet current and future priorities. Understanding what is valued at all levels of the organization will help us to focus our resources on activities that our customers value the most. When unit costs of our air traffic services are linked to the most valuable products, it will be apparent which activities should be targeted for process improvement and/or capital investment. We intend to share this information with you by offering you greater transparency into our decision-making process, including critical discussions regarding safety, the value of our services, and the costs of providing each product and service.



The organizational structure of the ATO must also reflect the highest value for your investment. Ensuring organizational excellence means more people who actually provide the products and services, with fewer, more effective people managing them. There needs to be fewer layers between the people doing the work and the executives in the organization. Even in our largest and most remote field organizations, we have reduced the number of management layers from eleven to six. In addition, the managerial span of control target has been increased to eight staff employees per manager. But streamlining the organization, in and of itself, means little unless you empower the managers by giving them the information necessary to make informed decisions and be accountable for them. But we're not waiting for our final realignment before making changes. Even though the ATO was only started in February, we are optimistic about seeing some early productivity and efficiency improvements by the end of this fiscal year.

But beyond today's operation, organizational excellence is essential to understanding and executing a strategy for supporting economic growth by increasing capacity and meeting the growing demand for our services. A flattened management structure improves communication, streamlines operations, speeds decision-making, increases productivity, and supports innovation. We are training all managers to use unit cost and performance information to make results-oriented decisions. In the future, our managers will be better able to prioritize our investments in the system and reduce our operational costs. No longer will one line of business make purchasing decisions for another line of business to use. So in these ways, we have created a new organization that will help us meet the air traffic demands of this century.

Mr. Chairman, a lot is being asked of the people who work for the ATO, but we are convinced that they are up to the challenge. As owners of the system, we want to work closely with you to implement the changes we've described, and to demonstrate the effectiveness of this new, more results-oriented approach. I look forward our continued collaboration and support.

This completes my statement. I will be happy to answer your questions at this time.



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

800 Independence Ave., S.W.  
Washington, D.C. 20591

June 23, 2004

The Honorable Peter A. DeFazio  
Ranking Democratic Member  
Subcommittee on Aviation  
Committee on Transportation and Infrastructure  
Washington, DC 20515

Dear Mr. DeFazio:

Please find enclosed responses to questions from Representative Ellen O. Tauscher for the record of the hearing on "Avoiding Summer Delays and a Review of the FAA's Air Traffic Organization," held on May 13, 2004.

We appreciate the opportunity to provide this information. If you have any questions, please contact Clare Donelan on my staff at 202-267-8556.

Sincerely,

Mary U. Walsh  
Assistant Chief Counsel for Legislation .

Enclosure

6/23/03

**FAA Responses to Questions from Congresswoman Ellen O. Tauscher  
Following the Hearing before the Subcommittee on Aviation on  
“Avoiding Summer Delays and a Review of the FAA’s Air Traffic Organization”  
May 13, 2004**

**QUESTION 1:** Madame Administrator, please provide me and the committee an update on FAA’s progress in conducting a re-baseline of the STARS program.

**ANSWER 1:** The FAA has modified its strategy for Terminal automation modernization into a three-phased approach, starting with the most critical Terminal Radar Approach Control (TRACON) sites. This approach breaks large, complex Terminal modernization acquisitions, such as STARS, into phases, to reduce Government, vendor, and deployment costs and risks. This three-phased acquisition approach allows the FAA to select a “best value” system and pace the automation system replacements and upgrades to fit budgetary constraints and meet dynamic National Airspace System requirements.

On April 20, 2004, the FAA Joint Resources Council (JRC) approved the STARS baseline for the Full Production and Deployment to the remaining 31 of its 50 most critical Terminal locations (Phase 1). The Department’s Inspector General (DOT IG) has already received the FAA’s Phase 1 alternative cost estimates. In accordance with Congressional direction, Phase 1B (2 each Common ARTS IIEs and Chicago) will remain as “options” until the OIG validates the Phase 1 cost estimates. Phases 2 and 3 will be defined and priced separately. For the follow-on phases, the FAA is developing a business case considering STARS and all other viable alternatives and will provide comparative cost/benefit data to the DOT IG for their review and validation before awarding a contract for Phase 2 or 3.

**QUESTION 2:** Will you allow the Department of Transportation’s IG to do a cost comparison between STARS and other technologies such as Common ARTS?

**ANSWER 2:** The FAA has provided the DOT IG with our Basis of Estimate (BOE) for Phase 1 alternative cost comparisons, and we are actively investigating viable cost and schedule options for Phase 2, including STARS, Common ARTS, and a mix of the two systems. These alternatives will be performed and assessed as a joint DOT and DoD comparison. The FAA data will be provided to the DOT IG for their review and validation.

**QUESTION 3:** In determining cost comparisons between STARS and Common ARTS, why wouldn’t your agency first consider data from Philadelphia before deploying it to Chicago O’Hare or other such busy airports?

**ANSWER 3:** When considering deployment to Chicago or any Terminal Radar Approach Control site, the FAA assesses STARS’ cost, schedule, and performance at all operational sites deployed to date, including Philadelphia, Miami, Boston,

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Memphis and other busy sites including DoD's Eglin and McGuire AFBs, Ft. Rucker, and Norfolk Naval Air Station. The FAA continually evaluates and analyzes risks and lessons learned to formulate risk mitigation plans. These assessments focus on fulfilling the safety, security, and capacity requirements of the National Airspace System (NAS) in support of the aviation dependent economic commerce.

As we work through each element of Chicago's implementation process, we will develop a clear understanding of the risks and mitigation strategies and the likelihood of success at Chicago. These factors will be addressed as the STARS team develops their site-specific plans for Chicago. The ARTS IIIA sites that will have already transitioned during Phase 1 (Miami, Philadelphia, Boston) handle large volumes of traffic and should provide valuable experience on which to base our Chicago decisions.

<b>SITE</b>	<b>Initial Operating Capability Date</b>
El Paso	10/11/2002
Philadelphia	11/17/2002
Portland	5/21/2003
Miami	6/28/2003
Bradley	7/17/2003
Las Vegas	10/14/2003
Syracuse	10/15/2003
Milwaukee	10/18/2003
Cleveland	11/2/2003
Albuquerque	11/9/2003
Birmingham	11/9/2003
Memphis	11/9/2003
Omaha	12/7/2003
Providence	12/8/2003
Albany	12/10/2003
San Antonio	1/18/2004
Boston Cons.	1/30/2004
Des Moines	3/8/2004
Detroit	3/14/2004
Port Columbus	4/25/2004
Seattle	4/24/2004

Table 1 Active STARS Sites

These sites are complex and diverse, so information we collect from these sites should ensure that we have many months of operational experience available to us when selecting an effective ATC automation system for the complex Chicago TRACON.

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**QUESTION 4:** Madame Administrator, please characterize your agency's firm-fixed contract for Phase I of deploying the STARS program. Does it include any further development work?

**ANSWER 4:** All software enhancements, telecommunication reductions, local patches, site surveys, deployment material, initial adaptation, and systems acceptance will be Firm-Fixed Price (FFP) under the STARS Phase 1 contract. To control vendor resources and work scope, we are using a Time & Material contract for the installation and checkout activities and some technical support activities. All travel will be cost-reimbursable. A small amount of incremental development is planned to account for site variations.

**Statement by Congressman Jerry F. Costello  
Committee on Transportation and Infrastructure  
Subcommittee on Aviation  
Hearing on Avoiding Summer Delays and a Review of the  
FAA's Air Traffic Organization  
May 13, 2004**

Thank you, Mr. Chairman, for calling today's hearing. I'd like to welcome today's witnesses.

Mr. Chairman, it has been a number of years since we on this committee have had a hearing on potential delays in our nation's aviation system. While delays are an unwelcome part of travel, they do demonstrate that air travel passenger traffic is beginning to return to pre-September 11<sup>th</sup> levels, which is a welcome sign of a recovering aviation industry.

It is estimated that this summer, passenger travel will be 12% higher than it was last year. In addition, airlines have become more dependent on regional jets, which has led to a need to operate more flights than in the past.

In order to combat the delays that are expected this summer, the FAA has developed a multi-faceted approach which it hopes will minimize these delays. The FAA will try to prevent significant

backlog at the bigger hubs by getting the planes there off the ground quickly. This should prevent those delays at the major hubs from rippling out and impacting the entire national aviation system.

The FAA proposes doing this through a variety of methods including better flight schedule monitoring, dedicating certain routes as “express lanes” for departures and ground stops at smaller airports when facing congestion at the larger airports. In addition, the FAA has asked United and American to voluntarily reduce their flight schedules at O’Hare, which both airlines did agree to do.

As the passenger loads increase, it is likely that airports will also face additional congestion at security check points. Even without this summers expected increase in passenger traffic, travelers have been facing growing lines at security check-points. TSA developed a plan to try and minimize these delays, and I am interested in learning more about their proposal.

We are also here today to discuss the FAA’s Air Traffic Organization, which is the most recent attempt to improve the management and delivery of air traffic services by adopting best



business-like practices. I am hopeful that the ATO will provide successful in an area that has been in need of improvement at the FAA.

I look forward to hearing more about all three of these proposals.

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*Eddie Bernice Johnson*  
 Congress of the United States  
 30th District, Texas

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Congresswoman Eddie Bernice Johnson  
 Aviation Subcommittee  
 May 12, 2004

Thank you for holding this hearing today.

First off, I would like to thank Administrator Blakey for her offices assistance in dealing with a pressing matter at Lancaster Municipal Airport in my district. Your staff has been very helpful and I commend you for your immediate attention to the issue.

To the point of this hearing, let me just say that Dallas-Ft. Worth International Airport is a vital part of our economy in North Texas, and I'm extremely concerned that the potential for long lines this summer could stifle possibly the first profitable summer for the aviation industry in a long time.

When the Transportation Security Administration (TSA) assumed responsibility for passenger and baggage screening in accordance with the Aviation and Transportation Security Act, they committed to ensure sufficient passenger and baggage screening levels in order to avoid long passenger wait times and to ensure efficiency at terminal checkpoints.

Unfortunately, this commitment is in jeopardy, as the TSA has reported that passenger screening peak period delays have risen to unacceptable levels, exceeding 30 minutes at three of DFW's passenger screening checkpoints.

American Airlines, the world's largest carrier and DFW Airport's largest tenant, is extremely concerned about the potential for long lines that customers will encounter this summer.

As evidence of the mounting urgency, American sent a letter to DFW's Federal Security Director (FSD) on April 23rd to express continuing concerns regarding the TSA staffing levels as the airline approaches the busy summer tourism season.

To make matters even worse, the TSA's Federal Security Director at DFW informed Airport officials last week that the TSA will cut One-Hundred-Seventy-Six (176) of its One-Thousand-Five-Hundred-Sixty-Four (1,564) passenger and baggage screener workforce — **effective immediately.**

These staffing reductions will mean that passengers can expect an estimated average wait time of more than **one hour at all passenger screening checkpoints.**

In 2003, the TSA conducted a test of the impact of a similar reduction in passenger screeners, and the results were disastrous: passenger lines extended throughout airline check-in counters, completely disrupting the passenger and baggage screening process. Passenger lines also extended throughout the bag claim area, again disrupting passengers attempting to reclaim checked baggage and exit the terminal facilities.

Considering the 9.5 percent growth in passenger enplanements and forecasted growth at DFW Airport, I am gravely concerned that the reduction in staff could result in immediate passenger processing gridlock as well as pose serious security risks to its passengers.

Mr. Chairman, I cannot fathom any justification for the TSA to reduce staff at one of the nation's largest airports when the government is doing all that it can to protect U.S. airports from becoming a terrorist target yet again.

I will have some questions for Deputy Administrator McHale concerning this issue, but I hope to hear in his testimony how TSA plans to ensure sufficient passenger and baggage screening staffing levels at all of DFW's terminals in order to avoid gridlock and unacceptable passenger wait times.

Opening Statement of William O. Lipinski

Avoiding Summer Delays and a Review of the FAA's Air Traffic Organization

Aviation Subcommittee Hearing

May 13, 2004

Mr. Chairman, I thank you for holding this timely hearing today on avoiding summer passenger delays. I also want to thank our witnesses.

Four years ago, Congress identified O'Hare International Airport's delay problem as something that negatively impacts the national aviation system. In 2001, Congressional hearings were held to discuss what could be done to solve this problem. Later that year, the City of Chicago, with agreement from the State of Illinois, provided an answer to the delay problem. That answer was the O'Hare Modernization Program (OMP).

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The OMP is an airport development program designed to solve immediate and long-term problems at the world's busiest airport, while also producing considerable benefits to the national air transportation system. In 2003, O'Hare experienced the busiest calendar year of any airport in the history of aviation with approximately 931,000 total operations. From January 2004 through April 2004, O'Hare has experienced the highest monthly traffic levels in its history. Demand at O'Hare is projected to increase at these robust levels for decades.

Operational restrictions at O'Hare will not solve the delay problem over the long-term. Time spent developing and implementing these short-term solutions would be better spent completing the O'Hare Modernization Program's Environmental Impact Statement(EIS). Once the FAA's



EIS process is complete, the City of Chicago will begin construction on the O'Hare Program. A failure to implement the modernization would force Congress and this Committee to continually debate the O'Hare delay problem on an annual basis.

Given the importance of O'Hare Airport to the national aviation system, I hope that Administrator Blakey will outline the FAA's plan to expedite the implementation of O'Hare's runway plan.

At Midway and O'Hare Airports, security efficiency makes up a significant percentage of travel wait times. For example, last summer at Midway Airport in my district, travelers spent hours waiting to be screened at checkpoints, which led carriers to hold and delay many early morning flights.

In order to avoid passenger and flight delays this summer, it is important that an adequate number of TSA staff are in place. TSA has indicated that it is planning to reduce screener staffing at airports across the country. This proposed reduction comes at exactly the wrong time - screener staff vacancies have already been running at 7 to 10 percent under authorized levels. Screener reductions should be halted, and TSA should hire more full-time equivalent staff.

In addition, it is just as important that travelers know exactly what to expect when they arrive at the airport. Educating passengers on TSA procedures should occur throughout the check-in process. For example, video and audio systems should remind passengers of procedures

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while they wait in line and staff could direct passengers to available checkpoints to expedite the process.

TSA should take responsibility to make these procedures uniform. TSA estimates have suggested that coaching of passengers while they are waiting to be screened can increase checkpoint efficiency up to 50 percent.

I understand that TSA is bound by fiscal constraints but if we are serious about implementing a safe, efficient transportation security system, we must make sure funds are used to balance the needs of safety with those of the traveling public. I hope that Mr. McHale will comment on these issues. Thank you and I yield back the balance of my time.

TESTIMONY OF STEPHEN J. McHALE  
DEPUTY ADMINISTRATOR  
TRANSPORTATION SECURITY ADMINISTRATION  
DEPARTMENT OF HOMELAND SECURITY

ON AVIATION SECURITY DURING THE SUMMER TRAVEL SEASON AND  
BEYOND

BEFORE THE  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
SUBCOMMITTEE ON AVIATION  
U.S. HOUSE OF REPRESENTATIVES  
MAY 13, 2004

Good morning Mr. Chairman, Congressman DeFazio, and Members of the Subcommittee. I am pleased to have this opportunity to appear before you today to report on the Transportation Security Administration's (TSA) plans for maintaining world-class security over the busy summer travel season.

Now well into our second year of Federalized passenger screening at U.S. airports, TSA has successfully shepherded air travelers through several high peak travel seasons—both winter holiday and summer vacation periods. The most recent such period, starting with the Thanksgiving travel period through New Year's, was one during which the Department of Homeland Security (DHS) had raised the terrorist threat level to Orange. Although large numbers of passengers processed through our screening checkpoints, security was strong and effective, and there were few instances of disruption in the efficiency of the screening process. Feedback from travelers rated TSA's customer service as excellent, particularly with respect to families, seniors, and children. This was also evidenced, among other things, through strong positive feedback from aviation industry stakeholders.

Our goal is to build on the success of these earlier experiences by continuing to provide the best possible security, while working with our aviation industry partners to minimize the inconveniences of air travel that could be frustrating to the traveling public and ultimately damaging to the continued recovery of the aviation industry. To this end, TSA has been working in partnership with our stakeholders, including air carriers and airport operators, as well as the associations that represent these stakeholders. This partnership has been a fruitful one, and the support of our stakeholders is key to ensuring the success of our strategy for dealing with increasing air travel while maintaining the necessary level of security. Together we have designed a plan for developing and instituting best practices that will serve us well, not only during the summer travel season, but also into the future. Our multilevel program for increasing passenger throughput at the airports, generally, and identifying particularly challenging airport environments for additional attention, will be in place in time for the Memorial Day weekend that marks the beginning of high volume summer travel.

TSA's ability to avoid delays during the high summer travel season will be challenged not only by the sheer volume of passengers traveling during the summer and augmented air carrier schedules designed to accommodate the increased travel demand, but by existing checkpoint lane capacity and airport configuration, an increase in the number of items to be screened, and generally, the higher stress levels that the traveling public may experience in these conditions.

TSA has been working with the Air Transport Association (ATA), representing air carriers, and the Airports Council International-North America (ACI-NA) and the American Association of Airport Executives (AAAE), representing airport managers and directors, to develop a plan that deals proactively with these and other special challenges that summer travel will pose. The normal increase in air travel occasioned by summer vacation plans is only one dynamic that is being factored into our planning, and we are mindful that the summer period will require us to sustain robust operations over a longer period than during the winter holiday season. Additionally, there are many special events scheduled for the summer months that will require particular attention, not only because they will increase the concentration of travel to particular airports for short periods of time, but because the nature of the events may attract the attention of those who wish to do us harm. Among these are the G-8 Conference in Savannah, Georgia in June, the Democratic National Convention in Boston in July, and the Republican National Convention in New York City in August. The Independence Day travel weekend will also spawn greater security concerns overall, and particularly in specific venues.

With our stakeholder partners, we first identified twenty-five "focus airports" for special attention. These airports may pose particular concerns for a variety of reasons impacting the level of traffic through the airport—size, proximity to special events, or proximity to high-traffic summer vacation destinations. The special attention that these airports are given may include additional staffing in positions that support the screening process, such as exit-lane monitors, queue handlers, or ticket checkers. This additional staffing may come from TSA headquarters staff or administrative staff in the field on a temporary basis, or from the airports or airlines themselves. Also, our National Screening Force (NSF) will be mobilized as necessary to augment screening for events that will generate extraordinary traffic.

Working with the aviation industry, we have developed the Aviation Partnership Support Plan, which includes multiple initiatives to increase throughput at all airports while assuring the same high level of security that the Nation expects:

First, TSA will soon release to FSDs and airport staff a guidebook of "best practices" covering a comprehensive range of techniques to increase throughput at the screening checkpoints. Many of these techniques resulted from the direct input of our stakeholders, and will serve to enhance facilitation practices already under way. The guidebook will be distributed to FSDs, air carriers, and airport personnel and will cover such topics as (1) queue management techniques; (2) improved procedures for Second Pass screening (already incorporated into our current standard operating procedure), whereby passengers

who alarm the walk-through magnetometer will be given an opportunity to remove any items that may have caused the alarm (such as jewelry, keys, or coins), and walk through the magnetometer again, rather than go through more labor intensive and intrusive additional screening; (3) standardized procedures for divestiture, or the process of removing items from one's person that might cause an alarm; and (4) a standard script for delivering instructions at the screening checkpoint to facilitate effective, efficient, and speedy screening. In addition to distribution of hard and digital copies of the Aviation Partnership Support Plan guidebook to FSDs and stakeholders, the guidance will be available on TSA's website. The guidance will be easy to use and easy to update and amend as techniques are refined and improved, or as necessary to meet any unique challenges at particular U.S. airports.

Each month, TSA intercepts more than 500,000 prohibited items at airports around the country. Since the beginning of the current fiscal year alone, TSA has intercepted over 300 firearms, in addition to more than 1.5 million knives and incendiaries. While the majority of cases are not intentional violations, too frequently individuals are deliberately attempting to circumvent security or test the security system. We have intercepted a knife concealed inside a soda can, a sword hidden inside a cane, and a knife hidden within a prosthetic leg, just to name a few examples. Each month more than 40 firearms are intercepted at airport checkpoints by TSA screeners, which tells us first, that we must continue to be diligent in our screening efforts, and second, that passengers are not voluntarily complying with the ban on bringing dangerous weapons onto aircraft. TSA believes that educating the traveler about prohibited items is another important part of our summer strategy. Therefore, the second element integral to our implementation of our Aviation Partnership Support Plan will be deployment of an extensive and ongoing passenger education program to help prepare summer travelers to do their part in easing traffic through our Nation's airports.

We will launch the *Prepare for SUMMER Takeoff* campaign in late May, building upon our successful Prepare for Takeoff theme that was launched to support the federalization efforts in late 2002. The goal is to get passengers ready to go on their trip so that lines move quicker and passengers have a smoother experience. Passengers play an important role in supporting aviation security and we want to make sure that they are prepared for this role. The Campaign will educate passengers on the most common issues that are encountered at the checkpoints, including what can be packed in carry-on versus checked baggage, when to have their identification and boarding pass available, as well as issues that are germane specifically to the summer season. Our partners in the travel industry, including airlines, airports, travel agents, visitor and convention bureaus, and business traveler associations, to name a few, will all be critical in helping TSA to promote these important messages. Also, we will partner with the airports and online travel agencies to provide passengers with information on check-in and security wait times, parking situations, etc. to assist them with their trip and make it as hassle free as possible. In addition, TSA will conduct a robust summer travel public information promotion using TV, radio, and print outlets throughout the country to support the Campaign. Finally, we will continue to update our website that is specifically designed to provide travelers with all of this important information, to reflect any changes in security requirements and to

respond to passenger input. We want to effect changes in people's behavior so that they think about how they can prepare before they arrive at the airport.

Third, FSDs will hold meetings of TSA representatives, airport directors, air carrier station managers and others, to formulate and provide additional guidance, recommendations, and local training. At the focus airports, these meetings may include representatives from TSA headquarters.

Fourth, after these meetings are held, TSA headquarters representatives will review the plans developed in the course of the meetings and make sure that the best of those plans are shared with all FSDs.

I would like to outline some of the specific strategies that will be in place as part of the "best practices" guidance or will supplement that guidance. TSA will provide screeners enhanced training on the Second Pass screening process. Divestiture procedures will be improved by the addition of divestiture tables, deployment of divestiture "coaches" to assist passengers in the process, and the creation of a standardized script of divestiture instructions. We believe that utilization of effective divestiture strategies could increase throughput by as much as twenty percent. TSA employees, including field and headquarters staff will assist in non-screening positions at U.S. airports on critical travel days.

FSDs will be directed to ensure full screening capability, including use of overtime. This will require aggressive management of leave and vacation schedules, keeping checkpoints open longer on critical travel days, and use of selectee, airline preferred customer, and employee lanes to full capacity, limiting vendor/concessionaire screening to non-peak travel periods, and conducting routine, on-going screener training during non-peak travel periods. FSDs will also be expected to watch for stress in the screener workforce and take steps to ameliorate that stress, through breaks, rotation of duties, and continuous encouragement.

Our partners in the Aviation Partnership Support Plan process--airline, airport, and association stakeholders--will support TSA screening processes through line management in prescreening areas, ID-to-ticket verification, identification of travelers for selectee screening, baggage handling, checkpoint divestiture and bin retrieval, and prioritization of passengers and baggage to ensure that passengers whose flights are about to board are moved to the front of the line. Stakeholders will also assist by emphasizing airline carry-on policies and by posting helpful information on this as well as on divestiture procedures and prohibited items on airline websites, at self-service kiosks, and in in-flight magazines.

Parallel to our Aviation Partnership Support Plan, TSA will pilot several technological improvements to help increase checkpoint throughput. TSA acknowledges that the process of x-raying carry-on baggage is a constraint to rapid checkpoint throughput, and we are exploring various changes to checkpoint equipment, configurations, and processes that will minimize delays in passenger screening operations.

Other TSA initiatives that are being developed separately from our Aviation Partnership Support Plan will necessarily enhance and support the objectives of the plan. As part of the Aviation and Transportation Security Act (ATSA) (P.L. 107-71), Congress directed that the Secretary of Transportation ensure that “the Computer-Assisted Passenger Prescreening System, or any successor system is used to evaluate all passengers before they board an aircraft; and includes procedures to ensure that individuals selected by the system and their carry-on and checked baggage are adequately screened.” In addition, TSA continues its work on the Registered Traveler (RT) Program. TSA envisions that a fully implemented RT program would be purely voluntary and would offer qualified participants an expedited travel experience. Volunteer participants in the RT program will be requested to submit personal data, such as biometrics (fingerprint and iris scan), that will be used for identity verification. Participants in the program will still be required to submit to screening for weapons, explosives, and prohibited items at the checkpoint. TSA also plans to institute a Registered Traveler (RT) Pilot Program this summer at a limited number of airports. RT pilots will last approximately 90 days. TSA will use these pilots to test whether an RT program could provide both security and customer service benefits. A security assessment will be conducted on each RT applicant to determine eligibility for the program. Upon conclusion of the pilots, results will be analyzed to determine the feasibility of proceeding with a larger scale program.

TSA continues to install screening equipment, including in-line explosives detection systems (EDS). EDS and explosives trace detection (ETD) equipment purchase and installation is the key to compliance with statutory requirements for 100% screening of checked baggage by explosives detection systems. TSA purchases and installs this equipment through a variety of mechanisms, including Letters of Intent (LOIs), which provide a partial reimbursement to U.S. airport operators for facility modifications required to install in-line EDS solutions. TSA has issued eight airport LOIs, covering nine airports. TSA is also using resources to purchase and install EDS and ETD machines at U.S. airports outside the LOI process.

Finally, we continually review our prohibited items list to ensure that items that are no longer deemed to be a threat to security are removed, so that passengers may once again transport them as carry-on items. We hope to complete our most current review in sufficient time to remove additional items from the list as warranted before the start of the high-volume summer travel season.

I want to emphasize, once more, that we view our summer planning as more than a short-term solution to increased security and customer service challenges. Rather, we expect this exercise to serve us well as we continue to refine and implement the best practices that will become the hallmark of the extraordinary level of security we will demand of our screeners year-round. This endeavor also demonstrates the value of a strong partnership between TSA and our stakeholder organizations—a partnership that will continue to yield improvements in aviation security in the future.



Thank you again for the opportunity to address you on this timely subject. I will be happy to answer any questions you may have.

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**Statement of**

**Bryan O. Elliott**

**Executive Director**

**Charlottesville-Albemarle Airport Authority**

**For the Hearing Record on**

**“POTENTIAL INCREASES IN AVIATION PASSENGER DELAYS  
DURING THE SUMMER 2004 TRAVEL SEASON”**

**of the**

**Subcommittee on Aviation**

**Committee on Transportation & Infrastructure**

**U.S. House of Representatives  
Washington, D.C.**

**May 13, 2004**

Mr. Chairman and Members of the Subcommittee:

I am Bryan Elliott, Executive Director of the Charlottesville-Albemarle Airport Authority, which owns and operates the Charlottesville-Albemarle Airport (CHO). The Charlottesville-Albemarle Airport is a non-hub commercial service facility located in the Piedmont region of Virginia. The Charlottesville-Albemarle area is home to the University of Virginia as well as to a diverse base of tourism, manufacturing, and financial service entities, and our region needs dependable scheduled air service to link us to the world.

I appreciate the opportunity to submit views for the record of your hearing primarily on how the Federal Aviation Administration (FAA) plans to handle increasing numbers of airline operations and domestic passengers during the Summer 2004 peak travel season. Traffic at nine of the top thirty-five busiest airports is now greater than before the terrorist attacks of September 2001.

■ **Non-Hub Airports Need to Connect to Major Hubs**

The Charlottesville-Albemarle Airport receives scheduled airline service from US Airways Express, United Express and Delta Connection and is classified by FAA as a "non-hub" airport (based on enplanements).<sup>1</sup> It is one of 404 non-hub airline-served airports in the U.S. These airports enplane up to 375,000 passengers annually and provide an important link from their regions to major metropolitan areas.

Direct air service between non-hub airports and major business destinations such as New York and Chicago are of vital importance to the economic health of the U.S. Our business travelers need the ability to fly to New York City or Chicago and back within

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<sup>1</sup> According to 49 U.S.C. 47102, each non-hub airport enplanes less than 0.05% of all passengers boarding airline aircraft in the United States.

one day, and only direct air service makes that possible. Those business travelers are a large part of our passenger base; the New York metropolitan area represents the second largest origin and destination (O&D) market for the Charlottesville region. Chicago is Charlottesville's third largest O&D destination and, like New York, is served primarily through a congested airport (O'Hare International).

If air service to airports such as Charlottesville is closed out of congested airports serving New York and Chicago, our airport will lose much of its value as an economic engine for the region we serve. Travel options for our business travelers would require them to connect through the hub cities of the network carriers, and one day round-trip service to those major business destinations would become impossible.

Happily, passenger loads from Charlottesville-Albemarle Airport are holding up well, particularly in comparison with other non-hub airports in the Northeast and Midwest. Calendar Year 2004 may be a record year for us in terms of passenger traffic. We anticipate serving approximately 350,000 passengers this year on flights to seven airline hubs with 54 daily non-stop flights offered by the three regional carriers serving our market.

■ **Air Service to Non-Hubs is At Risk**

Charlottesville is not typical. Over the past five years non-hub airports have experienced far deeper cuts in air service than larger airports. DOT data document a 17% nationwide reduction in scheduled available passenger seats and a 19% reduction in airline scheduled operations at non-hubs from December 1998 to December 2003.

Non-hubs in the Northeast and Midwest have had disproportionately greater losses in air service than the other parts of the nation. Between December 2000 and

December 2003, for example, these two regions lost a third and a fifth, respectively, of all their scheduled available passenger seats.

Because of this past shrinkage in air service to non-hub communities, these 404 airports are particularly interested in how FAA plans to reduce aircraft delays this summer. We are pleased that overall demand for air travel is recovering from the 2001 downturn but are concerned that the Federal Government's options for controlling demand this summer, or in the foreseeable future, will disproportionately shrink the remaining direct access by smaller airports to major destinations such as Chicago and New York. But we accept that increasing demands and traditional summer weather-caused delays require some Federal actions to smooth the peaks and to compensate for inclement weather.

■ **FAA Plans to Control Summer 2004 Delays**

To date we have heard of two programs DOT/FAA have decided upon to control this summer's delays.

1. FAA-Mandated Schedule Reductions at Chicago O'Hare International

First, as authorized by section 422<sup>2</sup> of the recently-enacted Vision 100 – Century of Aviation Reauthorization Act, United Air Lines and American Airlines have been directed to minimize peaking problems at Chicago's O'Hare International Airport by negotiating two rounds of schedule reductions. In January, the first reduction removed 62 aircraft from the airspace during the local peak hours of 1-8 p.m. In April, DOT

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<sup>2</sup> Section 422 authorized the DOT Secretary to request that air carriers meet with the FAA Administrator to discuss flight reduction at severely congested airports to reduce overscheduling and flight delays during hours of peak operations. Air carriers attending these meetings can offer to help meet an FAA-established flight reduction target.

mandated a further 2-1/2 percent reduction in O'Hare flights or 29 flights removed from the noon to 8 p.m. expanded peak.

Because United and American hub at O'Hare, and thus control a very high percentage of all O'Hare operations, they can best decide how to shrink their schedules to eliminate congestion at that airport, either by combining schedules to destination cities or dropping service. While it is possible flights from O'Hare to smaller airports could be reduced or eliminated to meet FAA's targets, smaller communities are trying to work with United and American to protect small community access to O'Hare.

2. Establishing "ATC Express Lanes" Between Hubs With Gateholds at Other Airports

On March 24, DOT Secretary Mineta announced plans to establish "express air traffic lanes" within many of our nation's most heavily congested routes to reduce the possibility of gridlock during summer 2004. Apparently this approach had been favored during a three-day meeting of industry groups convened by FAA during March. As we understand the plan, there would be brief gateholds of airline aircraft at non-congested airports to allow traffic to move along the express lanes to major airports.

While those gatehold delays may disproportionately occur at smaller airports, these would only be brief delays -- and not cancellations -- so smaller communities could continue to have access to major hub destinations. If delays begin to lengthen, however, schedule reliability will be impaired, and the value of air service to our business travelers will decrease. DOT/FAA should closely monitor not only average delays, but the range of delays, to make sure this is not occurring.

■ **Smaller Communities are Concerned About DOT/FAA  
“Congestion Pricing” Schemes to Control Delays in Future  
Years**

While DOT/FAA have already determined what initiatives they will pursue to control delays at congested airports for this summer, small communities such as Charlottesville are worried by proposals to use “congestion pricing” schemes to control future demand at congested airports. FAA and DOT have open dockets to receive public comment on various proposals to charge aircraft operators additional fees (beyond cost-recovery landing fees) to allocate existing capacity at some congested airports.<sup>3</sup> For example, under an FAA scenario, auctioning arrival or departure operations at New York’s LaGuardia Airport could generate an estimated \$550 million in new revenue each year over and above whatever landing fees are currently charged. More broadly, DOT has received comments on how market pricing of access to congested airports could be handled across the country. A few years ago, the City of San Francisco proposed, and then shelved, a congestion pricing plan for its San Francisco International Airport. Most recently, Massport, the proprietor of Boston Logan International Airport, has agreed to adopt a peak-hour pricing program for aircraft operations before an FAA-approved new runway is opened.<sup>4</sup>

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<sup>3</sup> FAA Notice of Alternative Policy Options for Managing Capacity at LaGuardia Airport and Proposed Extension of the Lottery Allocation, Dockets FAA-2001-9852 and 9854, 66 Fed Reg. 31,731 (June 12, 2001), and DOT, Notice of Market-Based Congestion and Delay, Docket No. OST-2001-9849, 66 Fed Reg. 43,947 (August 21, 2001)

<sup>4</sup> Massport, Proposed Demand Management for Boston Logan International Airport (May 2004)

Many, if not all, small communities would be opposed to any pricing solution to excessive aircraft demand at congested hub airports **IF** it applied to operations from our airports, for the following reasons:

**1. Congestion Pricing Would Reduce Air Service to Major Airports from Smaller Communities Because Per-Passenger Cost of Access Would be Too High**

Using LaGuardia as an example, the high cost for entry under a pricing system would result in less air service to non-hub airports because they don't have the passenger flow to require large capacity aircraft. Charlottesville could lose its current non-stop service to LaGuardia.

**2. Extra Revenue Would Penalize Airlines Without Providing Any New Airport Capacity**

The new revenues generated from the new congestion fees wouldn't increase airfield capacity at the congested airports in New York and Boston. The Port Authority of New York and New Jersey (PANYNJ) could generate enough funds through its existing landing fee structure to pay for new runway capacity at LaGuardia if building that runway were physically and politically feasible. More money will not solve this problem.

The extra revenue would increase the cost of airport access to air carriers without providing any new capacity. At PANYNJ, all these new revenues could be used for non-aviation purposes, diverting money from civil aviation when the airline industry is already financially hurting.

**3. Extra Revenue Actually Removes Incentives for Airport Sponsors to Increase Airside Capacity**

If congestion pricing were allowed, Mayors of today's congested airports would be freed of any pressure to increase airfield capacity. Why fight for difficult-to-get new airfield capacity when you can just auction your existing airfield capacity and generate extra revenue as a bonus?

**4. Airport Sponsor-Proposed "Exemptions" for Small Community Flights Can Be Politically Determined and Violate Airline Deregulation**

Small communities must receive exemptions from any congestion pricing scheme or they will lose non-stop access to important major airports. However, such exemptions must be determined by the FAA and not by airport proprietors. If every airport proprietor designs its own system to pacify regionally powerful groups with political leverage, balkanization of the



airspace will soon result.<sup>5</sup> The Airline Deregulation Act of 1978 prohibited airport sponsors and all other states and local governments from regulating the routes, fares and services of the nation's domestic airlines.

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<sup>5</sup> For example, a Massport spokesman indicated that it knows better than the airlines how traffic to Logan should be handled. "Flights from congested airports like Logan to a Roanoke or Norfolk, that's good. .... But 35 seats from Boston to LaGuardia, or Philadelphia, or Houston. ... Is that the smart thing to do? Under our scheme those flights will get moved a bit."

■ **Recommendation**

While DOT and FAA have received many comments on their congestion pricing proposals, there is nothing in these dockets quantifying the potential loss of air service to smaller communities under various pricing schemes. We hope the Subcommittee will ask the General Accounting Office (GAO) to study all the ramifications of congestion pricing on small community access to major airports and to report back within six months. The resulting information would supplement an existing series of GAO reports on the problems of small community air service. In addition, the results would be available for DOT/FAA consideration before decisions are made on how to reduce traffic peaks during Summer 2005.

Thank you very much for the opportunity to supply these comments for the record of your hearing.