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ALASKA AVIATION INFRASTRUCTURE AND FUNDING CHALLENGES—MEETING FUTURE SAFETY, CAPITAL AND TECHNOLOGICAL NEEDS

FIELD HEARING

BEFORE THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

JULY 5, 2006

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ONE HUNDRED NINTH CONGRESS

SECOND SESSION

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ALASKA AVIATION INFRASTRUCTURE AND FUNDING CHALLENGES—MEETING FUTURE SAFETY, CAPITAL AND TECHNOLOGICAL NEEDS

WEDNESDAY, JULY 5, 2006

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Anchorage, AK.

The Committee met, pursuant to notice, at 9:34 a.m. in Assembly Chambers, Loussac Library, Hon. Ted Stevens, Chairman of the Committee, presiding.

OPENING STATEMENT OF HON. TED STEVENS, U.S. SENATOR FROM ALASKA

The CHAIRMAN. This is another hearing of the Commerce Committee in the field. Today we're going to hear from the Administrator, Marion Blakey, and she's joined by Pat Poe who is our Regional Administrator. Pat, you're leaving us soon, I understand. You've been here, what 8 years now?

Mr. POE. Just about, it's gone very, very quickly.

The CHAIRMAN. Well, we thank you very much for the time you've spent working on these aviation safety matters along with all of us and it's been a great change here under your administration of the Regional Office. We have been focused on our committee on communications policy but we're going to get back to the aviation areas later this year I hope. We've got a lot to discuss. We all know that Alaska depends on aviation more than any other state and we have had a terrible history in aviation safety. A few years ago when we started the Capstone program, and Ms. Blakey will testify about it today, we had serious concerns about the future of safety with so many pilots having accidents and so many deaths in our state. Innovation has come about which is driven by necessity and I'm really pleased that the FAA and the state and the various interests in Alaska joined together sometime early in the 1990s. Capstone remains a model for the government and for industry. In the Yukon-Kuskokwim Delta alone, since Capstone has been introduced, the accident rate has been reduced by about 60 percent. I don't want to steal your statement, Ms. Blakey, but I'm very proud of what has been done here. This afternoon we'll meet with the people involved with the Medallion Program. That, too, has been a voluntary program of our operators. We have a recent history of success and we want to hear from Ms. Blakey and others on the second panel on what we can do to improve on even that. So, Pat,

we do wish you the best as you go on to whatever you're going to do as you leave this office. Ms. Blakey, the Administrator has been here several times now and has participated in not only the Capstone review but also the Medallion Program and we're grateful to you for the time you've spent on Alaska safety matters. I'm pleased to have your statements this morning.

STATEMENT OF HON. MARION C. BLAKEY, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION

Ms. BLAKEY. Thank you, Mr. Chairman. I have to tell you, it is wonderful to be back in Alaska. This is one of those things that's been a great privilege of the job I have. And I must tell you that when I was here——

The CHAIRMAN. Can you pull that mike up toward you please?

Ms. BLAKEY. Yes, I can. Is this the one that's live here? This——

The CHAIRMAN. Wrong mike.

Ms. BLAKEY. Does that work better?

The CHAIRMAN. Fine, thank you.

Ms. BLAKEY. Great. I was here a year ago and I had the opportunity to speak with people about the aviation needs of this great state and to work with you, Mr. Chairman, on some of the most important initiatives that we have in the state, ones that are bellwethers for so much of the rest of the country. I thought to myself, how important it is that, relatively new safety initiatives are making a tremendous difference in the lives of people in the State of Alaska who depend so much on flying. It's clear that, thanks to the continued interest and support from you and with the help of the Alaskan aviation community, which is very vocal and so active, air safety in this state continues to improve. I should also tell you that, as you know, the State of Alaska and your leadership here has had tremendous support from Secretary Norman Mineta, who last year was here with us working together on a number of these initiatives. As you know, this is his last week in office as Secretary of Transportation. And so he is in Washington attending to a number of things, wrapping up his tremendous tenure there, one that I think is going to be seen as historic. But he would have loved to have been here as well.

Finally, I would be remiss if I did not also say in referring to those who are retiring that we have done everything we knew to talk Pat Poe out of this idea of retirement. I think it's intrinsically a bad thing and I told him it may not be good for his health. But I cannot seem to persuade him off this idea. So, we are very grateful. And I'm looking forward to this trip, to taking advantage of as much of Pat's knowledge base as I can to absorb while I'm here. Because we really are going to miss his help in the state.

Although I emphasized it last year, it bears repeating that aviation safety is the critical mission of the FAA. Likewise, enhancing safety in Alaska remains an essential part of our flight plan which as you know is our business plan that governs the priorities of how we spend our resources in the FAA. Most Americans don't have to worry about getting in a plane to get medical attention or simply basic supplies; Alaskans do. But the goods news is that Alaska doesn't take aviation safety for granted and we can all be proud of what we've achieved in terms of accident reduction. You referred

to this in your statement, Mr. Chairman, and you are absolutely right. We've seen a 40 to 50 percent accident reduction in some parts of the state. It's really extraordinary. And we can be prouder still that we've not been content to rest on those accomplishments. So, if you'll permit me I'd like to simply update you on a few of the initiatives that you know well but that I know some in this hearing room today would like to hear more of the specifics.

Alaska Capstone is a technology driven safety program. The key enabling technology on which Capstone is based is Automatic Dependent Surveillance-Broadcast, more commonly called ADS–B. Capstone equipped aircraft using ADS–B have held a consistently lower accident rate than non-equipped aircraft. Consequently, a major goal of Capstone is to pursue affordable avionics and encourage equipage so that aircraft owners will have a range of choices appropriate to their operational needs.

Without a doubt, ADS–B is the future of air traffic control, of this we're convinced. In the near term, pilots operating aircraft equipped with ADS–B have much better situational awareness than other pilots. They know where their own aircraft are with greater accuracy and the displays show them all the aircraft in the air around them. In addition to increasing capacity, ADS–B improves aviation safety both in the air and on the ground. On the ground it is of tremendous importance because of the liability of runway incursions. Capstone, which began installing equipment in aircraft in July 2000 in the Y–K Delta Region, has served as a critical test bed for this important technology. In other words, what you're doing here is shaping the future of the Nation's air transportation system.

In May, I established a national ADS–B program office in the FAA to facilitate the integration of ADS–B into the National Airspace System. The national program is building on the successes of Capstone, Senator, and I want to give credit where credit is due. You and the people of Alaska have been the drivers of this technology. In the years I've been at the agency over and over again, Alaska is making it happen for the rest of the country.

Another joint industry/FAA effort that continues to improve aviation safety in Alaska is the Medallion Shield Program, an effort implemented by the Medallion Foundation. The program sets voluntary safety standards for air carriers in Alaska that are above and beyond FAA requirements. The Medallion Shield Program has expanded from 10 carriers in August of 2002 to 75 today, which is tremendous. Of those, 27 have at least one star, meaning they've established a safety program that meets certain requirements. And three have received their shield, meaning they've earned all five stars by meeting specific training, operational, auditing and risk management goals. The State of Alaska now requires bidders for any type of state contract involving air carriage to contract with carriers that have at least one star in the program, which has yielded great results. Since September 2004, there have been no fatalities involving Part 135 air operators in the State of Alaska. It's a record we certainly hope to continue.

Medallion Flyer Program is the general aviation counterpart of the Medallion Shield. And I will point out that today I am very proudly wearing my Medallion flyer wings. I was very proud at the

beginning of this program to be presented with these because it's impressive; it's a voluntary program that targets all Part 91 operators. The program focuses on the adoption and implementation of personal safety and risk management programs by Alaska's general aviation pilots. More than 1,000 pilots have voluntarily participated in the program and more than 500 have completed their additional Medallion training. Again, let's look at the bottom line. There have been no fatalities involving any Medallion pilot who completed the initial training. It's a real success. And the FAA is proud to continue working to keep this going.

The last thing I'd like to talk about is something I know is of great concern to you, Senator, and that is the President's 2007 budget, and our request particularly for the AIP Program, Airport Improvement Program. You spoke with great eloquence and passion the last time I appeared before your Committee, so I'd like to take the time to address the concerns you outlined then and take them on head-on because this is a difficult budget time for all of us.

Of course, given how uniquely situated you are in terms of understanding the current budget climate in Washington, I know it's somewhat superfluous to explain to you that, like other government agencies, the FAA has been having to make some very tough choices and take a look at our programs with an eye to what really does require priority funding at this moment in time. At the same time, I want you to know that after the last hearing, I've gone back and carefully reviewed our budget request. And I want to emphasize that Alaska's airport needs will continue to be met. As I said at the outset of my statement, I fully appreciate the importance of aviation to the State of Alaska. It is unique. That's why, although Alaska would see a reduction in AIP funding under our budget request, it would rank second in the Nation in the amount of entitlement funds. That is up from last year. Last year it was third in the nation, in 2006. Surely this says something about the FAA's commitment to this important state. Rural access programs in Alaska are specifically included in the FAA's overall flight plan. FAA's commitment to funding such projects is evidenced by our recent investments, including $23 million this fiscal year to improve remote access airports. Our current flight plan continues this initiative through Fiscal Year 2011. We will continue to give high priority to funding rural access projects in the state.

Finally, I'd like to note that while our commitment to Alaska's rural communities is very firm, at the same time we're supporting major airports like Ted Stevens International Airport here in Anchorage. Ted Stevens International Airport has received $14.2 million in discretionary funds to support their Letter of Intent projects and noise program. LOI's also have the highest priority for our discretionary funds and would be fully funded in Fiscal Year 2007 under the President's budget. Also noise-related projects are funded through a dedicated pool of discretionary funds. We anticipate that Alaska's noise projects will also be funded under our Fiscal Year 2007 proposal.

Obviously, there are numerous programs and projects going on in Alaska that I haven't touched on. Alaskans have a lot of energy when it comes to aviation which, as someone who loves aviation,

is why it's so terrific being up here. And I learn a lot every single time I come about new priorities and programs that are really advancing the bounds of safety. I just want to end by saying that I appreciate the people of Alaska, the uniqueness of Alaska and the special working relationship that exists between the FAA, your leadership and the aviation community. We can take pride that our work here will ultimately benefit the entire country.

As I close, Senator, please take a look at the kiosk that stands before us right here. It's another terrific step for technology and of course it's another first step that's being taken in the State of Alaska. The weather camera program has been very successful. There are 63 weather cameras located throughout the state. These kiosks will allow pilots at remote airports throughout the state to see weather along the route once they've reached the airport. Because after all, things can change a lot from when they checked on their home computer usually early in the morning. But they can check at the airport right before that critical go, no-go decision is being made.

Sir, we're proposing 35 kiosk locations. Lake Hood will be the first. And given Alaska's track record for pushing the envelope on aviation safety, taking us where we haven't gone before, I'm confident that this one is going to be one of many that will be effective throughout the state. So thank you very much for allowing me to testify here today.

[The prepared statement of Ms. Blakey follows:]

PREPARED STATEMENT OF HON. MARION C. BLAKEY, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION

Good morning Senator Stevens and Members of the Committee. It is wonderful to be back in the great State of Alaska. I was here a year ago and had a wonderful time. At that time, I had the opportunity to speak with many interesting people about the aviation needs of Alaska and see for myself how the important safety initiatives we are working on with the aviation community here are making a real difference in the lives of the people who depend so much on flying for the basic needs of everyday life. So I am happy to be back and see what has happened in the past year and to reacquaint myself with some of the folks I talked with last year. I very much appreciate that, thanks to the continued interest and support of Senator Stevens and the help of the Alaska aviation community, aviation safety in the state continues to improve. The experience and expertise gained through the initiatives we are working on here will eventually improve safety throughout the country.

Although I emphasized it last year, it bears repeating that aviation safety is the critical mission of the Federal Aviation Administration (FAA) and enhancing safety in Alaska remains an essential part of our Flight Plan. Most Americans don't have to worry about getting in a plane to get medical attention or basic supplies; Alaskans do. While flying is taken for granted in Alaska, safety isn't, as has been evidenced by the admirable work that has gone into reducing the number of accidents in certain parts of the state by 40 to 50 percent in the past decade. We can all be proud of what we have done to achieve this accident reduction and we can be prouder still that we are not content to rest on our accomplishments and are working to make things ever safer. So I would like to update you on a couple of the initiatives I talked to you about last year to let you know where we are and where we are going.

The Alaska Capstone Program, a technology-driven safety program, continues to achieve near term safety and efficiency gains in aviation by accelerating implementation and use of modern technology, in both avionics and ground systems. The key enabling technology on which Capstone is based is Automatic Dependent Surveillance-Broadcast (ADS–B). ADS–B gives an aircraft with the requisite data uplink/downlink and cockpit display capabilities the same information about other aircraft in the vicinity as air traffic control now receives. Capstone equipped aircraft using ADS–B have had a consistently lower accident rate than non-equipped aircraft. Con-

sequently, a major goal of Capstone is to continue to pursue affordable avionics so that aircraft owners will have a range of choices appropriate to their operational needs. This includes both creating options for equipage and a strategy to ensure that all aircraft in Alaska are equipped. I won't go into all of the details I did in my statement last year on this important program, but I would like to focus on how Capstone has helped us get to the point where we can move forward with ADS–B.

ADS–B is, quite simply, the future of air traffic control. Instead of using radar data to keep aircraft at safe distances from one another, in the future, signals from Global Positioning Satellites will provide air traffic controllers and pilots with much more accurate information that will help keep aircraft safely separated in the sky and on runways. Pilots operating equipped aircraft have much better situational awareness because they know where their own aircraft are with greater accuracy, and their displays will show them all the aircraft in the air around them. ADS–B will improve aviation safety in the air and on the ground, as well as increase capacity. Capstone, which began installing equipment in aircraft in July 2000 in the Yukon-Kuskokwim (Y–K) Delta Region, has served as a critical test bed for this important technology.

In May, I established a national ADS–B program office in FAA to facilitate and oversee the integration of ADS–B into the National Airspace System (NAS). The national program will build on the successes of Capstone. The information and experience we have gained here in Alaska will help FAA accelerate the integration efforts throughout Alaska, which is critical to the success of the Next Generation of Air Traffic Services (NGATS). So the importance of the role played by the people here in Alaska cannot be overstated. I want to thank the entire Alaskan aviation community, in partnership with the Capstone Program Office, for its leadership in the development of far-reaching and innovative changes that will continue to have a positive impact on the NAS.

I do want to acknowledge one problem we faced regarding ADS–B in Alaska. Earlier this year, it was determined that an unapproved separation standard was being applied by the Anchorage Center (ZAN) between ADS–B surveilled aircraft and radar surveilled aircraft. As a result of this determination, FAA executives, including the Associate Administrator for Aviation Safety and the Alaska Regional Administrator, decided to suspend the display of ADS–B targets on ZAN controller displays. I believe this action was necessary and appropriate pending an assessment of the operational use of ADS–B in this area.

Unfortunately, there were unintended consequences with the operator fleet monitoring (OFM) and the display of traffic information in the control tower at Bethel. Upon learning this, we took corrective action to reinstate the capability of OFM and display of traffic information in the Bethel tower, both of which are now restored. The ADS–B capabilities of Flight Information Services—Broadcast (FIS–B), Air-to-Air situational awareness, and Search and Rescue (SAR) have been and will continue to be provided without disruption. Anchorage Center continues to provide instrument flight rules (IFR) separation services in the Bethel area through procedural methods.

FAA is committed to resolving the remaining issues associated with safely separating ADS–B targets from radar targets (known as a mixed environment). The use of ADS–B information as a fully integrated air traffic control surveillance source requires an approved operational evaluation with appropriate controls to ensure compliance with safety standards. FAA has in place an aggressive schedule to achieve such compliance. On July 15, the FAA will begin an operational validation to evaluate minimum separation standards in a mixed environment in the Bethel, Aniak, and St. Mary's areas. On or about August 15, the FAA plans to expand the operational validation of the mixed environment to the Dillingham and Kang Salmon areas.

Another joint industry/FAA effort that continues to improve aviation safety in Alaska is the Medallion Shield Program, a program implemented by the Medallion Foundation. The program sets voluntary safety standards for air carriers in Alaska that are above and beyond FAA requirements. The program focuses on establishing and sustaining an elevated level of safety performance through: the development of a safety culture that holds safety as a core value; continuous professional development of individual skills and competence; proactive sharing of operational control responsibilities; hazard identification and risk management; and management practices that support the organization's safety objectives.

For those of you who are unfamiliar with the program, the Five Stars in the Medallion Five Star Shield program include numerous methods for improving safety. To earn the First Star, each air carrier must establish a safety program which, at a minimum, should include safety meetings and audits, the use of root-cause anal-

ysis, hazard identification, incident investigations, and a viable emergency response plan. The Five Star program also requires a classroom training program for pilots, mechanics and ground service personnel, as well as required training on a PC-based computer simulator. Two annual check rides are required to receive this Second Star, and annual pilot proficiency check rides are required to keep the Star. The Third Star involves operational risk management. A dynamic system that provides analytical tools as well as a system of checks and balances to proactively identify hazards and manage risks is required. The carrier must have an operational risk management system that quantifies the risks for each flight, including weather, airport, and crew readiness. The total risk score determines if the flight is conducted normally, if more management evaluation is required for release of the flight, or if the flight is cancelled. The Fourth Star concerns maintenance and ground service operations, requiring specific training and manning levels. The Fifth Star is an internal audit program, which requires incorporation of a proactive internal audit system that focuses on the use of systems safety principles, as well as regulatory compliance. This is a comprehensive audit program requirement intended to allow the operator to continuously monitor their operating systems and provide for continuous improvement. In order to maintain Shield status, the operator must successfully pass an audit each year. A direct benefit of the Shield program for operators is that the insurance industry has agreed to provide favorable rates for Shield carriers.

The Medallion Shield Program has expanded from 10 carriers in August 2002 to 75 today. Of those, three have received their Shield and 27 have at least one Star. The State of Alaska now requires bidders for any type of state contract involving air carriage to have at least one star in the program. This work has yielded results. Since September 2004, there have been no fatalities involving part 135 air operators in Alaska, a streak that we hope will long continue.

The Medallion Flyer Program is the general aviation counterpart of the Shield Program. It is a voluntary program that targets all Part 91 operators, including flight schools, hunting and fishing guides, lodge operators, Civil Air Patrol, and law enforcement agencies. The program focuses on the adoption and implementation of personal safety and risk management programs by Alaska's general aviation pilots. In addition to an ongoing structured educational program, the Flyer Program uses sophisticated flight training devices and flight simulators have been purchased and are being used to improve the pilot skills of its participants. More than 1,000 pilots are voluntarily participating in the program, and more than 500 have completed the initial Medallion training. Again, let's look at the bottom line. There have been no fatalities involving any Medallion pilot who has completed initial training. This says to me, let's just keep working together.

The last thing I would like to talk about today is something that I know is of great concern to Senator Stevens and that is the President's 2007 budget request for the Airport Improvement Program (AIP). Senator Stevens spoke with great eloquence and passion the last time I appeared before his Committee on this matter, so I would like to take the time to address his concerns head on.

I know Senator Stevens is uniquely situated to understand the current budget climate in Washington, D.C. I also know the Administration and Congress share the sense of obligation that we must make the absolute best use of the taxpayers' dollars. Like other government agencies, FAA had to take a hard look at our programs and make some difficult choices. While I recognize that some people would like to see the AIP funding level higher, the AIP budget request for next fiscal year will meet the current needs of the nation's airports. I also want to emphasize that Alaska's airport needs will continue to be met. As I said at the outset of my statement, I understand the importance of aviation to the State of Alaska. That is why, although Alaska would see a reduction in AIP funding under our budget request, it would rank second in the Nation in the amount of entitlement funds it would receive, up from third in FY06. Surely that says something about FAA's commitment to this important state.

Senator Stevens expressed his concern about how the AIP proposal would affect access to rural areas in the state. Rural access projects in Alaska are specifically included in the FAA's overall Flight Plan. In addition, FAA's commitment to funding rural access projects is evidenced by our recent investments. Our current Flight Plan continues this initiative through FY 2011. This serves as our promise to the people of Alaska that we will continue to give high priority to funding rural access projects in the state.

Another concern expressed by Senator Stevens was the effect of the President's AIP budget request would have on the Rural Alaska Lighting Program, where aeronautical lighting is provided at remote unlit communities throughout the state. There were 63 locations included in that program. All 63 locations are now fully equipped with either an interim or permanent lighting solution that provides for un-

conditional 24-hour visual flight rule (VFR) aviation access by emergency medical aircraft. Thirty-one locations have received permanent lighting solutions. The remainder are equipped with a highly effective interim solution. Of those, 14 are expected to receive a permanent solution prior to FY 2010. The remaining 18 have extreme challenges that are likely to delay the installation of a permanent solution until after 2010. However, the program remains a priority for FAA and we anticipate continuing to fund these projects as scheduled.

Finally, I would like to note that, while our commitment to Alaska's rural communities is firm, at the same time we haven't forgotten Anchorage. Ted Stevens International Airport has received $14.2 million in discretionary funds to support their Letter of Intent (LOI) projects and noise program. LOIs have the highest priority for discretionary funds and are planned to be fully funded in FY07 under the President's budget. Also, noise-related projects are funded from a dedicated pool of discretionary funds. Therefore, we anticipate that Alaska's noise projects will also be funded under the FY07 proposal.

Obviously, there are lots of important programs and projects going on in Alaska that I haven't touched upon. Alaskans have a lot of energy when it comes to aviation which is why it is always so much fun to visit. I just want to end by saying that I appreciate the people of Alaska, the uniqueness of Alaska and the special working bond that exists here between the FAA and the aviation community. We can take pride that our work here will ultimately benefit the entire country.

This concludes my prepared statement. I will be happy to answer any questions you might have.

The CHAIRMAN. Thank you, Ms. Blakey. And I note that with regard to the FAA's weather cam programs, you have a brochure for the people in attendance. You're going to hand that out after the hearing, right?

Ms. BLAKEY. Yes.

The CHAIRMAN. And I'm delighted to have had a chance to sneak a look at this new program. The effect of that will be to have not only the Weather Channel but the FAA advisory and to have a weather cam available at the destination the pilot has selected. Right?

Ms. BLAKEY. Exactly. And you can follow flight plans from this as well and consult with the flight service specialist. So it gives a multitude of benefits. But the ability for pilots to see for themselves what's exactly going on in real time is invaluable.

The CHAIRMAN. And this is going to be the first one, at Lake Hood?

Ms. BLAKEY. First one at Lake Hood and then I think we're going to evaluate how that works. Pat has been working very hard on this.

Mr. POE. Actually, we will have two that we're going to evaluate. One will be at Lake Hood and the second will be at Yakutat. And we hope, by the end of this calendar year, to confirm the viability and the workability of this. And, of course, we'll interact with the pilots to see how we can make it even better. Ultimately this is going to be an extended component of our flight services within Alaska; it's just not a weather camera device. And personally I——

The CHAIRMAN. Do you think that'll evolve so the pilot can pick up weather en route, so you can get it into the cockpit?

Mr. POE. You know, we've had that as a vision almost from the beginning, combining weather camera technology with the Capstone in-cockpit display. And many will say it's in reach. I think it's—you have to reach far unfortunately, because of the bandwidth and other things to move that video image. But that's where we're going. I think it'd be great if a pilot could look at alternatives if he or she found that their route of flight was no longer safe and

could do that in real time and visually. So this, by the way, we received, I think, 2 weeks ago and so it's really fresh in terms of an opportunity in——

The CHAIRMAN. Our Committee is working, and we'll soon take to the floor, we hope, the new communications bill which will have an impact on the allocation of broadband in the future. Maybe we can work with your people in Washington, Ms. Blakey, to see whether we could reserve a little bit more of that for the FAA's purpose if this has got a national implication. We'll be happy to look at that with you. I want to call attention to the fact that Channon Hanna is here. Channon is part of Senator Inouye's staff. He has sent his staff along as Co-Chairman to monitor these hearings. This is sort of a lowball, but avian flu is on the minds of everybody I've been talking to here in Alaska. And have you had any particular role in avian flu planning, considering the fact that we have become a major destination for many people on the Asian continent? They come through here or to here. Has the FAA been involved at all in planning for the avian flu here?

Ms. BLAKEY. We've really had to be because I think that everyone understands that it could have an enormous effect. And there's a lack of predictability. So it does mean we're looking at a number of scenarios and eventualities. We do have a plan for the FAA on how to deal with an avian flu outbreak that involves not only how we compensate for staff losses, how we continue to provide air traffic control when you may have as much as 40 percent diminution in your work force. Forty percent because people may be ill or having to care for those who are ill, or frankly unwilling to come into heavy congested areas. So there is an effort, therefore, that we have made to make sure we know how we would transfer responsibilities, from one facility to another, what we would do to continue to cover the safety responsibilities and all of that. When it comes to passengers and how they would be handled coming into the country, we're working very closely with the Department of Homeland Security, of course through the Department of Transportation, because this affects all modes of transportation but particularly aviation. We're also working of course with the Centers for Disease Control about what the best methods are for handling quarantine and handling the specifics of ill passengers coming in. It may be of interest, also, to know that in addition to having a very strong written plan, that we have flexed, we've been doing scenarios, the kind of "what if" tabletop exercises that I think also show you where the gaps are. And then, finally, I just was at a meeting which we called the National Aviation Trilateral Meeting. It's between Canada, Mexico and the United States. And the three heads of aviation for our countries, myself and my counterparts, agreed that we would form a work force to deal with the border issues and what will be the effects if we begin to find avian flu crossing over which of course would affect Alaska very much with the Canadian buffer between us. We are committed to this summer putting in place a strong plan that we would all then follow as the protocol on this. So there is a good bit working. I won't tell you that it doesn't still pose challenges, it does. But we're certainly working it very, very actively and I think it's fair to say that a good plan is in place.

The CHAIRMAN. Thank you very much for that. On Capstone, my staff tells me that ADS–B was temporarily suspended here in Alaska waiting for some certification. What's the status of that now?

Ms. BLAKEY. Back in March we temporarily took Capstone off the glass because we were—we became aware that we were using Capstone in a way that was what we call a mixed environment, ADS–B targets and radar targets. And we really had not gone through the operational safety analysis of what kind of safe separation standards should be involved there. We were aware though, that Capstone is an important program for a variety of flights providing a situational awareness for pilots that are equipped and in the area. And so we quickly restored the flight information services and the traffic information services that we had with the program. Also, we have begun to work on the certification requirements so that you can use the Capstone program in a mixed environment coming out of the Anchorage center. I'm pleased to say that we're making great progress. In addition to turning on the services very quickly, we began June 15th on the air traffic control front to evaluate where we were for ADS–B and ADS–B equipped aircraft. And then we have moved—our plan is in July, July 15, so coming up very soon, to start the operational evaluation of ADS–B to radar targets and to see how those safe separation standards should be certified and developed. We'll be doing that initially down in the Bethel area. We will be at St. Mary's, Aniak, and then by August 15, we expect to expand it further to Dillingham and King Salmon. So we're really trying to take this in stages so that the safety analysis is rigorous and will hold up. But we feel that this should be, at this point, the way to go to a situation where we're flexing the full capabilities of ADS–B for separation.

The CHAIRMAN. I'm impressed with the Alaska-based information. We're delighted that you'd be with us and give us those answers. Let me ask Pat a question. Pat, do you know of any pilots in the state that are still using LORAN?

Mr. POE. No, I don't personally. Perhaps we have Bob Hajdukovich and others here that will testify later, they might be able to help you on that, sir.

The CHAIRMAN. I'm interested in that. We have the sudden termination plan for the modernization of LORAN and we've temporarily stopped that because we don't know that everyone is transitioned to the new systems yet. I'd appreciate it if you'd give us any knowledge that your people pick up as to whether that LORAN program should be totally canceled. We do appreciate very much your testimony. Channon, with Senator Inouye, do you have anything else? And we thank you very much. We appreciate your being willing to come up each year, Ms. Blakey, and to be able to keep up with the developments of your programs here in Alaska, they're very important. I'm told that the objectives for phase three of Capstone will indicate a further reduction in general aviation accidents of 15 percent. A goal is to have a further reduction in general aviation fatal accidents by 33 percent and a reduction in commercial fatal accidents by 41 percent. And that goes on top of the progress that's already been made. As I've indicated, it's our information that we are—although we're about 10 percent of the Nation's air program that we've made this substantial reduction al-

ready through these programs. So those goals are very welcome for us. It means a continued improvement in terms of safety for Alaska, which is very vital. We appreciate your help.

Ms. BLAKEY. Mr. Chairman, I would simply say that it is a great privilege to be here because, as I testified, I learn a great deal. And I have really become a champion of the Capstone Program not just in our country, in moving to a national program for the entire United States, but in a number of other countries around the world. It was not very long ago I was talking about Capstone in Alaska. I was talking about it in Japan, and in Latin America with our counterparts. I very much believe that ADS–B is the future that we all should move to and you all are pioneering it so I thank you for that.

The CHAIRMAN. Maybe we could create a new position in the Department of State for you, Pat, and make you the ambassador for aviation safety worldwide.

Mr. POE. I'm open for consideration.

The CHAIRMAN. You're ready, you're available, OK. Thank you very much, we appreciate your coming. Our second panel this morning is John Torgerson, the Deputy Commissioner of the Alaska Department of Transportation; Tom George, the Alaska Regional Representative for the Alaska Owners and Pilots Association; Mort Plumb, the Director of Anchorage International Airport; and Bob Hajdukovich, the Chief Operating Officer for Frontier Flying Service. Gentlemen, we appreciate your coming, and your willingness to participate in this hearing.

Why don't I ask you to present any comments you wish to make in the order that I read the names of the second panel, or the way you're lined up is all right with me. John, you'd be first, John Torgerson, Deputy Commissioner of the Department of Transportation for Alaska.

STATEMENT OF JOHN TORGERSON, DEPUTY COMMISSIONER, ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Mr. TORGERSON. Thank you, Senator, and welcome home. The State of Alaska operates 258 airports ranging in size from Ted Stevens Anchorage International, Fairbanks International to our smallest community airports. Of the rural airport system, 47 are paved and 173 are gravel. And of those 173, 72 of those are runways that are less than 3,000 feet. Today most of my remarks will be concerning the rural airport system. And we have Mort Plumb as part of the panel here to talk about the Ted Stevens International and the Fairbanks International.

I'd like to start by expressing our thanks to the FAA for the ongoing cooperative relationship with the State over the years. We have found that our agencies share a common mission in providing the infrastructure and air transportation in a very large and difficult area. The willingness of the staff at the FAA to face these challenges, together with their state counterparts, continues to produce mutual benefits.

Mr. Chairman, I'd like to give you an update on the rural airport lighting system that's something you have been involved in over the years. So I'll give you a little update of where we're at on that.

The state has a strategic goal to improve runways to a 24-hour VFR standard in communities that depend on air medical evacuation. A Congressional study conducted in 1999 identified 63 communities that rely on aviation access for medical evacuations that do not have the 24-hour VFR capability. These 63 airports are our largest priority for having 24-hour VFR access.

From Fiscal Year 2002 to Fiscal Year 2006, Congress made special rural airport lighting appropriations of $38 million to the FAA for the lighting and navigation improvements to these airports. We have worked cooperatively with the FAA to apply these monies to the communities on the list of deficient airports to install lighting and navigation systems.

With these special appropriations we improved medical access by deploying portable emergency lights for helicopter landing zones in all communities. These lights facilitate safer evacuation by the Coast Guard and the National Guard helicopters in medical emergency situations.

For fixed wing land-based operations, at a minimum, an adequate runway and runway edge lights are needed for the 24-hour VFR operations. Preferably, runway edge lights, rotating beacon, end identifier lights and precision approach path indicators installed on a 3,300-foot runway or longer will be developed as a package to allow the 24-hour access for maximum safety. Unfortunately, many Alaska village airports are not suitable in their current condition for installing permanent lighting and require first significant improvements to their length, width and surface condition to support nighttime aircraft operations.

Since 1999, we have improved 29 of these 63 airports to the 24 hour VFR standards. Of those 29 completed airports, there were nine that required major reconstruction or relocation in order to support the 24 hour access standard. Another 6 airports will be improved to meet the 24 hour access standard by fall of this year. And five of those require major reconstruction or relocation. By the fall of 2008, another five airports requiring major reconstruction or relocation are expected to be improved to meet the standard. In addition to the $38 million in special rural Alaska airport funding appropriated to the FAA we have allocated approximately $150 million in AIP funding to these 40 airports to provide this access.

Twenty-two additional communities await the permanent 24 hour solution for completion beyond 2008. Because most of them will require major airport construction, reconstruction or reallocation to meet these safe nighttime operations, we currently estimate that more than $300 million will be required to improve these additional 22 airports.

Mr. Chairman, I'd like to talk just a moment on the AIP Program. With your help, Mr. Chairman, the AIP Program has grown from $126 million to $184 million in the last 5 years. Alaska has benefited tremendously from the AIP program, particularly in our rural communities where airports are our highways, and Alaskans are grateful.

This is not to say we don't have unmet needs. The cost of construction in rural Alaska is expensive. At most locations the material and equipment needed to construct the airport must be barged in from hundreds of miles away during the short summer construc-

tion season. As communities grow and everyone focuses on improved levels of service, such as those identified in the 1999 medical access study, we could easily double our AIP funding and still find ourselves behind.

Although Congress has not completed its work on the Fiscal Year 2007 AIP budget, I would like to express my concerns regarding the impacts of the President's proposed budget would have on Alaska's rural airport system. Under the President's proposed reduced funding levels, for the primary—for the rural system we have—we could have an estimated 43.5 percent decrease in primary funding and a 22.6 percent decrease in non-primary funding available compared to our estimated Fiscal Year 2006 funding calculations. The House recently passed an AIP authorization bill at the $3.7 billion level, which is the maximum allowed under the AIP authorization bill, Vision 100. We encourage the Senate to consider the House appropriations and authorize the maximum appropriation set in Vision 100.

The current FAA regulations do not allow state aviation organization sponsors to conduct the Environmental Impacts required for certain types of aviation projects judged to have significant impacts.

Currently, all required EISs must be managed by the FAA. Recently authorized through the passage of TEA–LU, the Federal Highway Administration allows State Department organizations, such as Alaska Department of Transportation, to manage its own EISs to completion. We would recommend that consideration be given to align FAA regulations to allow knowledgeable sponsors such as Alaska Department of Transportation to conduct EISs with the FAA oversight as currently done in Environmental Assessments.

In closing, Mr. Chairman, we are well aware that no other state in the Nation has greater dependence upon aviation and associated airport improvements as a principal means, for the vast portions of Alaska the only practical means, of year-round access to our communities and residents. This dependence on aviation and airports provides Alaska with a unique perspective on the need for airport improvements and their relative priority to meeting critical system-wide airport needs through the AIP. If I or my staff of the Department of Transportation and Public Facilities can be of assistance in helping your community consider changes necessary to the FAA reauthorization bill we would welcome the opportunity to provide that assistance. From our international airport systems down to our smaller village strips, our airport system is simply critical to the state's economy, local economies and the health and well-being of all Alaskans. I'd like to thank you, Mr. Chairman, and be happy to answer any questions if you may have some.

[The prepared statement of Mr. Torgerson follows:]

PREPARED STATEMENT OF JOHN TORGERSON, DEPUTY COMMISSIONER, ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Thank you for the opportunity to testify.

The State of Alaska operates 258 airports, ranging in size from the Ted Stevens Anchorage International, Fairbanks International, to small community Airports. Of the rural airport system, 47 are paved, 173 are gravel of which 72 runways are less than 3,000 feet. Today, I will confine my remarks primarily to those issues that im-

pact our rural communities and allow Mort Plumb, our Airport Director for Anchorage to testify on that system.

I would start by expressing our thanks to the FAA for its ongoing, cooperative relationship with the state over the years. We have found that our agencies share a common mission of providing the infrastructure for air transportation in a very large, difficult, area. The willingness of the staff at FAA to face these challenges together with their state counterparts continues to produce mutual benefits.

Essential Air Service

I would like to recognize your support for the Essential Air Service, and thank you for that continued support. This program remains a critical support for safe, scheduled passenger service to 39 Alaska communities, out of over 200 communities that are eligible. In some cases, the service made possible by this program is the only way that many Alaskans can get the medical help and other vital services that they need.

Runway Lighting

The state has a strategic goal to improve runways to a 24-hour VFR standard in communities that depend on air medical evacuation. A Congressional study conducted in 1999 identified 63 communities that relied on aviation access for medical evacuations and did not have 24-hour VFR capable airports. These 63 airports are our highest priority for providing 24 hour VFR capability.

From FFY02 through FFY06, Congress made special Alaska Rural Airport Lighting appropriations of $38 million to the FAA for the lighting and navigation improvements to Alaska's airports. We have worked cooperatively with the FAA to apply these monies to the communities on the list of deficient airports to install lighting and navigation systems.

With these special appropriations, we have improved medical access by deploying portable emergency lights for helicopter landing zones at all communities. These lights facilitate safer evacuation by Coast Guard and National Guard helicopters in medical emergency evacuations. Civilian operators have also become certified to use these portable lights.

For fixed wing land based operations, at a minimum, an adequate runway and runway edge lights are needed for 24 hour VFR operations. Preferably, runway edge lights, rotating beacon, end identifier lights, and precision approach path indicators, installed on a 3,300-foot or longer runway, will be developed as a package to allow 24-hour VFR access with maximum safety. Unfortunately, many Alaskan village airports are not suitable in their current condition for installing permanent lighting and require first making significant improvements to their length, width and surface condition to support nighttime aircraft operations.

Since 1999, we have improved 29 of the 63 airports to 24-hour VFR standards. Of these 29 completed airports, there were 9 airports that required major reconstruction or relocation in order to support the 24-hour access standard, due to their substandard condition. Another 6 airports will be improved to meet the 24-hour VFR access standard by fall of this year, with 5 of these airports requiring major reconstruction or relocation. By the fall of 2008, another 5 airports requiring major reconstruction or relocation are expected to be improved to meet the 24-hour VFR access standard. In addition to a portion of the $38 million in special Rural Alaska Lighting funding appropriated to FAA, we will have allocated approximately $150 million in AIP funding to bring these 40 airports up to 24-hour VFR standards by 2008.

Twenty-two additional communities await a permanent 24-hour VFR solution for completion beyond 2008, because most of them will require major airport construction, reconstruction or relocation to meet the standards for safe nighttime operations. We currently estimate that more than $300 million will be required to improve these additional 22 community airports to provide 24-hour VFR access.

The continuing support of Congress is greatly appreciated in meeting this vital goal of providing 24 hour VFR capable airports to these communities.

Safety

The FAA and all of those in the aviation community in Alaska should be commended for their efforts in aviation safety. The reduction in incidents/accidents that has been achieved in Alaska is remarkable. The Capstone program has contributed to this reduction, as well as achieving a large improvement in access for aviation in Alaska. This improved access results from the fact that better weather reporting means better IFR success rate, and therefore more completed flights. The State of Alaska fully supports an accelerated transition to a new national airspace system using space-based navigational aids.

Also, the Medallion program has made a significant contribution to aviation safety. You will hear much about the good this program has done, but simply stated, since many state employees fly to all corners of the state, we all look for the Medallion logo on each airplane we board.

TSA

We in Alaska are as concerned about transportation security as any state in the Nation. We fully support the efforts to protect the traveler and our Nation's security. We have many transportation assets, such as the oil pipeline and terminal, the Port of Anchorage, the oil fields, and others, the loss or disruption of which would be a severe blow to our state and the country.

As it is currently structured, the TSA has three separate organizations in Alaska. We believe that the three organizations could be streamlined into one to provide consistent security oversight within Alaska.

We believe, also, that at Alaska's rural airports, transportation security can be achieved in a more efficient manner than at present. Transportation security programs at these airports should be based on threat analysis.

As transportation security is presently implemented at Alaska's rural airports, oftentimes the number of TSA employees outnumbers other airport employees. If a threat-based approach were used, security interests in Alaska could be met with considerably less investment.

AIP Program

With your help, Mr. Chairman, the AIP program has grown from $126 million to $184 million in the last five years. Alaska has benefited tremendously from the AIP program, particularly in our rural communities, where airports are our highways, and Alaskans are grateful.

This is not to say that we don't have unmet needs. The cost of construction in rural Alaska is expensive. At most locations, the materials and equipment needed to construct an airport must be barged in from hundreds of miles away during a very short summer construction season. As communities grow and everyone focuses on improved levels of service such as those identified in the 1999 medical access study, we could easily double our AIP spending and still find ourselves behind.

Although Congress has not completed its work on the FFY07 AIP budget, I would like to express my concerns regarding the impacts the President's proposed budget would have on Alaska's Rural Airport System. Under the President's proposed reduced funding levels, for the Rural System (Non-Discretionary funding only) we could have an estimated 43.5 percent decrease in Primary funding and a 22.6 percent decrease in Non Primary funding available compared to our estimated FFY06 funding levels. The Alaska International Airport System and all Discretionary funding are excluded from these calculations. The House recently passed an AIP appropriations bill at the $3.7 billion level, which is the maximum allowed under the AIP Authorization Bill, Vision 100. We encourage the Senate to consider the House AIP appropriations bill and authorize the maximum appropriation set in Vision 100.

Wetlands

The application of the National Environmental Policy Act, as well as section 4(f) of the Department of Transportation Act of 1966 (49 U.S.C. 303(c)), to all airports, including rural airports, needs to be clarified. At some point in time, a decision was made to designate a piece of ground as an airport. It seems that designation identifies the dominant use, and clearly specifies the objective for the designated land.

I am not advocating running roughshod over the environment as these airports are developed. I am advocating common sense application of NEPA, Sec. 4(f), and other environmental laws to lands that have been long designated for airport purposes. A great deal of time and money is spent on living up to the letter of the law. Stringent application of these laws results in added cost and protracted delays in needed projects. Recognition of the primary purpose of lands designated as airports should be incorporated into the implementation of environmental laws at airports. For some of our rural airports improvements, we are being required to develop a full Environmental Impact Statement. We believe that the small footprints of disturbance from our rural airport construction should allow us to conduct environmental assessments, rather than a full NEPA Environmental Impact Statement.

Environmental Impact Statement Development

The current FAA regulations do not allow State Aviation Organization sponsors to conduct the Environmental Impact Statements (EIS) required for certain types of aviation projects judged to have significant impacts.

Currently, all required EISs must be managed by the FAA. Recently authorized through the passage of TEA–LU, the Federal Highway Administration (FHWA) al-

lows State Transportation Organizations such as ADOT&PF to manage EISs to completion. We recommend that consideration be given to changing FAA regulations to allow knowledgeable sponsors such as ADOT&PF to conduct EISs with FAA oversight as currently done with Environmental Assessments.

The Airports Division staff at FAA review and comment on all Environmental Assessments (EA) and Categorical Exclusion (CE) documents, but does not typically write environmental documents. Consequently, their level of expertise at environmental documentation may be less than the State Transportation Organization staff who routinely write EAs and CEs for aviation and highway projects as well as EIS documents for highway projects. This can lengthen the amount of time needed to conduct the EIS as well as the fact that there are relatively few FAA staff to manage EISs and also review and approve EAs and CEs. We at ADOT&PF believe that we can move the EISs more expeditiously through the process. Empowering the State Transportation Organizations in the EIS process will also make them better able to respond to other agencies, the public and the project proponents.

Closing

Mr. Chairman, as you are well aware, no other state in the Nation has greater dependence on aviation and the associated airport improvements as the principal means, and for vast portions of Alaska the only practical means, of year round access to our communities and residents. This dependence on aviation and airports provides Alaska with a unique perspective on the need for airport improvements and their relative priority in meeting critical system wide airport needs through the AIP. If I or the staff of the Alaska Department of Transportation and Public Facilities can be of assistance in helping your Committee consider changes necessary to the FAA reauthorization bill, we would welcome the opportunity to provide any assistance requested.

From our international airports on down to the smallest village strip, our airport system is simply crucial to the state's economy, local economies, and the health and well-being of all Alaskans.

Alaskans appreciate the continuing support of the FAA and the Congress for aviation in Alaska.

I thank you for the opportunity today, and will answer any questions the members may have for me.

The CHAIRMAN. Thank you very much, John. Let's just go down the table if that's all right. The next would be Bob Hajdukovich, Chief Operating Officer, Frontier Flying Service. Good morning, Bob.

STATEMENT OF BOB HAJDUKOVICH, CHIEF OPERATING OFFICER, FRONTIER FLYING SERVICE

Mr. HAJDUKOVICH. Good morning, Chairman Stevens. Thank you for allowing me the opportunity to testify today with regard to my experience with the unique issues facing the aviation industry in Alaska today.

In the past 18 years, I have been witness to a distinctive culture shift in the aviation community. Safety culture is no longer a cliché or a catch phrase but rather a way of life for most commercial operators in Alaska today. I directly attribute this shift in the culture to programs such as the Medallion Foundation, Capstone, the Alaska Air Carriers Association, the Alaska Aviation Coordination Council, AOPA, and our FAA leadership in Alaska among others, and Pat and John.

This safety culture has taken root. The industry is committed to positive change, but continues to struggle. Just 6 years ago, Frontier paid a system-wide average price of 70 cents a gallon for jet fuel and today's price is $2.85 per gallon, a 307 percent increase. We have a range from $2.30 on jet fuel to $5.50 to some of the out stations. We get one-half of the insurance coverage for twice the premium dollar today while frivolous litigation continues to plague

aviation. Our engine and maintenance costs have risen 5 to 7 percent per year. While these challenges are not unique to Alaska, our need for improved infrastructure is.

I am what one might consider a Generation X Alaskan pilot. I was born in Alaska and am fortunate to have a rich aviation history in my family as well as my wife's. When I first started full-time at Frontier in 1988 the industry had a culture of "get the job done". LORAN was the best thing since sliced bread, except it didn't work in two-thirds of the state. I can look back on my relatively short career in aviation and see a great and continuing evolution of three things: infrastructure, technology and safety culture.

I would like to point out some of the notable events that our company has been witness to in the past 15 years. In infrastructure, we've seen GPS approaches; AWOS, automated weather observation systems; weather cameras; GBTs or ground-based transmitters; wide area augmentation system, we have a greater accuracy with the GPSs; downsizing of flight service stations; and airport improvement projects.

In technology, the advent of the GPS; cockpit voice recorders for nine or more seats in scheduled service; traffic collision avoidance systems for nine or more seats in scheduled service; ground proximity warning systems for nine or more seats; digital flight data recorders for nine or more seats; and terrain awareness warning systems for nine or more seats and now driving down into the five-seat turbine aircraft; Capstone I and II in Bethel and Southeast Alaska; sophisticated desktop flight simulation devices which are many generations beyond what I would have considered we could have done with the desktop computers. We just recently invested in a simulation device just based on desktop simulation. And ADS–B, Automatic Dependent Surveillance–Broadcast.

In culture, Capstone made for affordable installation of collision and terrain avoidance and situational awareness equipment. Post 9/11 insurance rates, which we're still recovering from, putting a greater emphasis today on safety records and history of accidents when renewing insurance. It couldn't be a better time for the Medallion Foundation. Security awareness and mandated programs driving down into even the smaller carriers. Conversion of Part 121 operations with a greater emphasis on operational control. The Medallion Foundation awarding stars emphasizing operational control, company safety programs, use of simulation for controlled flight into terrain situations, maintenance and ground personnel training and procedures and internal audit programs. Risk assessment: the process of elevating the decision to accept or not accept risk to the highest level of management necessary to address the level of risk. Capstone II, affordable installation of WAAS compatible equipment, traffic awareness and creation of WAAS-based approaches and airways. The Rural Service Improvement Act or the Bypass Mail Program with an emphasis on carrying passengers in Part 121 operations and reducing costs to the Postal Service. While there is much controversy about many facets of the Bypass Mail System, the number of air carriers providing service to the remote communities in Alaska has shrunk dramatically. Because fewer flights are being flown on a daily basis, the risk of accidents has been reduced. However, the aircraft left in the system are larger

and require better airport conditions. To maximize the benefit of Part 121 operations, the airports and associated airway infrastructure need to be commensurate with the high standards and demands of 121 operations. ATOS, the Air Transportation Oversight System, is an FAA program of oversight that emphasizes evaluating the elements of certification and the validation of certificated 121 carriers. And the ASAP Program, Aviation Safety Action Program, a collaborative non-reprisal program with the industry, the FAA and employees that gathers data on safety issues that would not otherwise have been reported.

So what's missing? I guess that's why I'm here today, to let you know the needs of aviation in Alaska.

1. Continued funding of Medallion Foundation.

2. Funding support for Capstone Phase III. The total amount to outfit the rest of the state's aircraft in GA and commercial is upwards of $70 million. This will put WAAS units and ADS–B receivers in most of the active fleet in Alaska. While the up-front costs seem large, it will enable the FAA to look down the road and decommission some of the legacy ground aids that are a draw on the system. The FAA must follow through on its commitment to install ground-based transmitters throughout the state. This provides us with improved rural access.

3. Continued support on maximum AIP funding. We would like to see more discretion given to the state on surface maintenance spending versus capital projects. The Bypass Mail System has encouraged Part 121 operations. The state will inevitably see more Part 121 operations and operators in the future. Today AIP funding is linked to enplanements, which should also take into consideration the type of operation at the runway. For example, if the runway is served by a 121 carrier, the AIP funding formula should automatically consider the airport to be a primary airport and be exempt from the 10,000-enplanement requirement. This will ensure that the airport gets funded for the safest level of ground operations.

In conclusion, I'd like to thank you for joining us in pioneering new technologies and proactive safety systems. As a friend of mine once said, the problem with being a pioneer is that you get the most arrows. The unprecedented Part 135/121 safety record in 2005 speaks not only to your continued support, but to our desire to be the standard to which other parts of our great country are measured. Thank you for your time.

[The prepared statement of Mr. Hajdukovich follows:]

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price of 70 cents per gallon for jet fuel and today's price is $2.85 per gallon (a 307 percent increase). We get one-half the insurance coverage for twice the premium dollar while frivolous litigation continues to plague aviation. Our engine and maintenance cost have risen five to seven percent per year. While these challenges are not unique to Alaska, our need for improved infrastructure is.

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I would like to point out some of the notable events that our company has been witness to just in the past fifteen years:

Infrastructure

- GPS approaches
- AWOS—automated weather systems
- Weather Cameras
- GBT—Ground Based Transmitters
- WAAS—Wide Area Augmentation System
- Downsizing of Flight Service Stations
- Airport Improvement projects

Technology

- GPS
- CVR (Cockpit Voice Recorder) for 9 or more seats
- TCAS (Traffic Collision Avoidance System) for 9 or more seats
- GPWS (Ground Proximity Warning System) for 9 or more seats
- DFDR (Digital Flight Data Recorder) for 9 or more seats
- TAWS or EGPWS (Terrain Awareness Warning System) for 9 or more seats
- Capstone I / II (Bethel and Southeast Alaska)
- Sophisticated desktop flight simulation devices
- ADS–B—Automatic Dependent Surveillance-Broadcast

Culture

- Capstone I—affordable installation of collision, terrain avoidance and situation awareness equipment.
- Post 9/11 insurance rates—putting a greater emphasis on safety records and history of accidents when renewing insurance.
- Security awareness and mandated programs.
- Conversion to Part 121—greater operational control.
- Medallion Foundation—Stars emphasizing Operational Control, Company Safety Program, use of simulation for Controlled Flight into Terrain situations, Maintenance and Ground personnel training and procedures and Internal Audit Programs.
- Risk Assessment—The process of elevating a decision, to accept or not accept risk, to the highest management level necessary to address the "Level" of risk.
- Capstone II—Affordable installation of WAAS compatible equipment, traffic awareness and creation of WAAS based approaches and airways.
- RSIA—Rural Service Improvement Act—emphasis on carrying passengers and Part 121 operations and reducing costs to the Postal Service. While there is much controversy about many facets of RSIA, the number of Air Carriers providing service to the remote communities in Alaska has shrunk dramatically. Because fewer flights are being flown on a daily basis, the risk of accidents has been reduced. However, the aircraft left in the system are larger and require better airport conditions. To maximize the benefit of Part 121 operations, the airports and associated airway infrastructure need to be commensurate with the high standards and demands of 121.
- ATOS—Air Transportation Oversight System—An FAA method of oversight that emphasizes evaluating elements of certification and validation of certificated 121 carriers.
- ASAP—Aviation Safety Action Program—a collaborative non-reprisal program with the industry, FAA and employees that gathers data on safety issues that would not have otherwise been reported.

So What's Missing?

Which I guess is really why I am here today, to let you know the needs of aviation in Alaska.

1. Continued funding of the Medallion Foundation.

2. Funding support for Capstone Phase III—The total amount to outfit the rest of the state's aircraft (GA and Commercial) is $70 million. This will put WAAS units and ADS–B in most of the active fleet in Alaska. While the up-front costs seem large, it will enable the FAA to look down the road and decommission some of the legacy ground aids that are a draw on the system. The FAA must follow through on its commitment to install ground based transmitters (GBT) throughout the state.

3. Continued support on maximum AIP funding—We would like to see more discretion given to the state on surface maintenance spending versus capital projects. RSIA has encouraged Part 121 Operations. The state will inevitably see more Part 121 operations and operators in the future. Today, AIP funding is linked to enplanements but should also take into consideration the type of operation at the runway. For example, if the runway is served by a Part 121 carrier, the AIP funding formula should automatically consider the airport to be a primary airport and be exempt from the 10,000-emplanement requirement. This will ensure that the airport gets funded for the safest level of ground operation.

In conclusion, I would like to thank you both for joining us in pioneering new technologies and proactive safety programs. As a friend of mine once said, "The problem with being a pioneer is that you get the most arrows."

The unprecedented Part 135/121 safety record in 2005 speaks not only to your continued support, but to our desire to be the standard to which other parts of our great country are measured.

Thank you for your time.

The CHAIRMAN. Our next witness is Mort Plumb, the Director of the Anchorage Airport.

STATEMENT OF MORTON V. PLUMB, JR., DIRECTOR, TED STEVENS INTERNATIONAL AIRPORT

Mr. PLUMB. Good morning, Chairman Stevens, members of the staff. My name is Mort Plumb, I'm Director of the Ted Stevens Anchorage International Airport. I appreciate the opportunity to speak with you today about the particular interests of our airport and about matters of importance to commercial service airports across the country.

I'm proud of the airport's role in the National Air Transportation System as the primary transpacific gateway for international cargo, an important stop for international passenger routes as well as a commercial hub for some 260 communities throughout Alaska. Since the beginning of airfield operations more than 50 years ago, Anchorage International has grown to be number one for landed gross weight for cargo airport and third ranking cargo airport in the world based on cargo tonnage. Anchorage International air cargo operations have averaged 7 percent growth over the past 10 years and we expect Anchorage air cargo operations to continue to increase.

Due to the strong growth in Asia-U.S. trade and record fuel prices, our Nation reaps economic benefits as more and more cargo carriers capitalize on the efficiencies afforded by Alaska's strategic position on the Pacific Rim. They recognize that a refueling stop at Anchorage is the key to maximum cargo payloads and peak economic efficiency for transpacific freighter flights. Further, thanks to your leadership, Mr. Chairman, in 2004 Congress approved flexi-

bility of international and domestic carriers to achieve additional efficiencies by cross-loading, sorting and clearing cargo in Anchorage to reach multiple locations in the U.S. for eastbound freight and Asia for westbound freight. So far, at least four carriers are using this flexibility to reach more destinations more efficiently, all to the benefit of the United States economy.

The visitor industry continues to increase passenger traffic as well. This summer construction will begin on a $176.8 million passenger terminal project to complement the new C Concourse which opened in 2004. This project is scheduled to be completed by 2010. For both airports in the Alaska International Airport System, Ted Stevens Anchorage International Airport and Fairbanks International Airport, Passenger Facility Charges or PFCs are part of the formula for success. As I'll discuss in a minute, Alaska's airport system joins other airports across the country in requesting updates to the PFC program.

In addition to passenger infrastructure improvements, Anchorage International will see over $100 million in private expansion of air cargo facilities. As one of the first airports that will host the Airbus A–380 in 2009 on FedEx and UPS ramps here, the airport is preparing its airfield with the help of the FAA Letter of Intent discussed by the Administrator. The LOI program, as I will discuss, is critical to Anchorage's ability to accommodate this 1.3 million pound aircraft.

Keeping in mind the very strong performance and outlook here at Anchorage International, let me turn now to a major issue with which we need this Committee's continued and strengthened support.

Chairman Stevens, your staff has worked diligently over the past 3 years on the Transit Without Visa Waiver issue, better known as TWOV. I testified last summer before your Committee and am back again this year still asking for your help in resolving the TWOV issue. I am disappointed to report to you that rather than being closer to a resolution with DHS, TSA and CBP, we quite frankly see no end in sight. In April, Governor Murkowski and I met with Secretary Michael Chertoff here in Alaska to seek his help in reinstating TWOV in Alaska. Although Secretary Chertoff was receptive and committed to provide an answer 30 days from April 4th, the issue remains unresolved. I have learned that DHS has again gained interest in working this issue since July 3rd when advance copies of my testimony were made available. However, DHS has not yet—has yet been unable to develop a solution satisfactory to all its component interests.

In the past, we've tried to allay the concern that reinstatement of TWOV at Anchorage would set an undesirable precedent. In reality, however, under well established existing precedent over the past 20 years, Anchorage transit stops have been handled according to Anchorage's unique circumstances without establishing precedent replicated at other U.S. airports. A program that allows non-U.S. passengers without a U.S. visa to deplane into the secure transit lounge at Ted Stevens Anchorage International Airport and get back on the same aircraft without re-screening is supported by Anchorage's special circumstances and sets no precedent for other airports.

Another concern is that a nationwide transit program should not be reinstated. But DHS need not reinstate a national transit program. DHS could reinstate the program only to include flights where all passengers arrive and depart on the same aircraft in flight and remain in a secure facility, physically separated from non-transit gates. Or DHS could simply limit the reinstatement program to Anchorage.

Our original, simple request to CBP was to allow carriers to enplane and deplane passengers on transit flights into our special, secure transit facility at Anchorage when stopping en route through Alaska to other foreign destinations. In this simple request, well meaning Federal officials have identified a thicket of technical issues, none of which, we believe, pose any reasonable threat to U.S. aviation security. The largest issue, for example, is TSA's concern that no Federal employee would personally re-screen these few hundred passengers each day who were previously screened at a foreign point of origin and who merely visit our transit lounge before continuing to a foreign destination on the same aircraft on which they arrived. In doing so, DHS is reading a security issue into what is really a labor issue. Based on what we believe to be a stretched reading of the Aviation and Transportation Security Act (ATSA), the TSA believes it raises an issue to allow a TSA-screened passenger to join such a flight transiting through Anchorage to a foreign destination, though there appear to be no material security concerns. Mr. Chairman, we request your Committee to convey to DHS that ATSA's requirement that Federal employees do the screening for U.S. origin flights and flight segments is a labor and control provision. It stipulates who must do the screening at U.S. airports, and does not dictate that foreign screened passengers must be re-screened or kept separate from TSA-screened passengers.

We have spent over $1 million in terminal modifications to separate CBP-cleared passengers from un-cleared passengers. Now TSA is asking us to again modify the terminal to separate the foreign-screened passengers from the TSA-screened passengers. Any justification for this requirement disappears in the face of the TSA's position that such differently screened passengers may not mix in the terminal, but they can mix onboard the aircraft. As a matter of fact, we understand that mixing on the airplane has not caused any reported incidents at other airports where it's been occurring successfully for some time.

Let me just quickly explain what the DHS is asking us to do with these people. They are asking that these passengers deplane, go through a document certification, technically exit to the United States by going outside the secure sterile area, come back into the sterile area through TSA screening, then go through the U.S. Visit program, fill out the forms and get back on the airplane. It appears to be a waste of time, manpower, labor and does not add any security to this country.

All of these processes must be done within the 90-minute ground time. The airline staff spends the entire time getting passengers through DHS process and back on the airplane just to be able to board a few originating passengers in Anchorage.

Currently we have 18 international passenger flights that arrive each week, only four of which are actually permitted to deplane into the terminal. These flights have operated safely and securely for nearly 20 years without incident. We truly believe these modifications are unnecessary because the basis for the demands have no material security rationale. But if DHS insists on imposing these segregation or re-screening requirements that cannot, at the end of the day, reasonably be justified as furthering U.S. security interests, then we believe the Federal Government should bear the burden of paying these costs of infrastructure and additional screeners.

Our main goal continues to be that all passengers be allowed off the airplane into the sterile, secure transit facility with minimal processing, yet exposed to U.S. security officials. We firmly believe the additional processing that DHS is requiring here in Anchorage will soon push carriers to over-fly Alaska and the U.S. altogether, to the detriment of both the Alaska economy and U.S. security.

Let me turn to an issue now that has been addressed by some of the other panelists. Although the TWOV and transit passenger processing are our most urgent issues, Federal funding issues loom large on the horizon. Alaska could face a major funding challenge were AIP funding allowed to fall below $3.2 billion. A level of funding below this amount would greatly reduce Anchorage's critical cargo entitlements. As you are aware, Anchorage serves as a critical transit and transfer point for a large proportion of international air cargo to and from the United States. Funding for our cargo support infrastructure is truly a concern for our national economy. We recommend that cargo entitlements be increased a modest .05 percent, from 3.5 to 4 percent, to better balance the increased cargo infrastructure needs compared with passenger infrastructure needs.

With regard to flexibility in AIP spending, in addition to AIP formula issues, restrictions on the use of these funds has also become an issue. The current FAA regulations are restrictive on the ability of airports to use their entitlement funding. With greater flexibility, airports could use this funding a little more efficiently.

For example, it would make sense to use AIP funds to purchase a larger runway snow blower here at Anchorage. This new snow blower which clears twice the width of any current equipment would make our winter operations more efficient, safer for the airlines, economical—and increase safety. The only manufacturer with a proven reliability is a foreign entity. Special condition nine of the AIP grant agreement precludes us from purchasing this and other essential pieces of equipment using AIP funds.

PFC flexibility. Although airports enjoy somewhat greater flexibility on the use of Passenger Facility Charges, current FAA restrictions include sometimes burdensome limits on PFC use. In addition, current FAA regulations reduce AIP funding to both medium and large hub airports when they raise Passenger Facility Charges to any level above $3.00. This provision effectively penalizes a medium hub airport such as Anchorage that collects a higher PFC, but does not have a large hub passenger volume to make up for the loss of AIP funds. When the FAA states a larger reservoir of PFC dollars remains untapped by some airports, it doesn't in-

clude or consider the higher penalties if you do get more AIP funds. PFCs are not Federal funds. Those collections should not be subject to any offset of Federal dollars for medium hub airports. Anchorage is a perfect example of an airport that could grow this capital funding source for much needed projects were the AIP offset rule abolished for medium hubs. To strengthen the PFC program for the benefit of airports nationwide, we do support a higher maximum PFC. But we also need to reduce the penalty for collecting a higher PFC.

Turning now from general infrastructure funding, I want to address the special challenge of security funding. As you know, the airport operating environment has changed dramatically since the 9/11 attacks. The Transportation Security Administration continues to place new requirements on airports without providing airports any funding to carry out the new requirements. In fact, Senator, we are still waiting for an LOI promised by the former TSA Administrator, Admiral Loy, who in 2003 committed to this airport and committed to you and to the staff.

While we have worked very closely with TSA leadership, Anchorage was promised that a new security requirement would be reimbursed by TSA. To date, these commitments have not been fulfilled. To date, Anchorage has spent $19.6 million to fund TSA-mandated security enhancements in Concourse C and is projected to spend another $15 million in Concourse A. The failure of the Federal Government to fund these security mandates has compelled Anchorage to use revenues that would otherwise be available for important infrastructure developments. This burden has now been placed on our air carriers, many in dire financial crisis. I am hopeful the Ted Stevens Anchorage International Airport will participate in the proposed funds in the 2007 DHS spending bill.

In conclusion, the Ted Stevens Anchorage International Airport competes in a worldwide market of Olympic proportions. Our nation's good economic scores in today's global business environment reflect Anchorage's contribution in delivering value for the lowest cost. Air cargo is claiming a growing proportion of international trade within the world. The Federal rules by which gateway airports must play and rules that burden AIP funds and PFCs have an important effect on our ability to provide services at the lowest possible cost to keep pace with other market forces. We believe our proposals for infrastructure and procedural enhancements while ensuring aviation safety and security are essential.

Finally, I would be remiss if I did not note my great appreciation for the incredible support of our outgoing Secretary of Transportation, Norm Mineta. His personal support to me and to the Ted Stevens Anchorage International Airport has been superb. Under his leadership and that of Administrator Blakey, former Associate Administrator of Airports, Woodie Woodward, Acting Associate Director Kate Lang and Alaska Airports Division Deputy Manager, Deb Roth, the Ted Stevens Anchorage International Airport has become the Olympic capable world class airport it is today.

Thank you, Chairman Stevens and Administrator Blakey, for your continuing leadership in providing resources and adopting new cargo legislation to help this great airport serve the Nation's interests. I would also like to thank Senator Inouye for his contin-

ued support for Alaska and our international airport system. We look forward to working with you to implement these reforms we have suggested today to continue our strong record to make this a secure airport and an economical airport for our air carriers. Mr. Chairman, that concludes my remarks.

[The prepared statement of Mr. Plumb follows:]

PREPARED STATEMENT OF MORTON V. PLUMB JR., DIRECTOR, TED STEVENS ANCHORAGE INTERNATIONAL AIRPORT

Good morning, Chairman Stevens and Members of the Committee. My name is Mort Plumb and I am the director of Ted Stevens Anchorage International Airport. I appreciate the opportunity to speak with you today about the particular interests of the Ted Stevens Anchorage International Airport (ANC) and about matters of importance to commercial service airports across the country.

I am proud of the Airport's role in the National Air Transportation System as the primary transpacific gateway for international cargo, an important stop for international passenger routes as well as a commercial hub for some 260 communities throughout Alaska. Since the beginning of airfield operations more than 50 years ago, Anchorage International has grown to be number one for landed gross weight for cargo airports and the third ranking cargo airport in the world based on cargo tonnage. Anchorage's international air cargo operations have averaged 7 percent growth over the past 10 years and we expect Anchorage's air cargo operations to continue this trend.

Due to strong growth in Asia-U.S. trade and record fuel prices, our Nation reaps economic benefits as more and more cargo carriers capitalize on efficiencies afforded by Alaska's strategic position on the Pacific Rim. They recognize that a refueling stop at ANC is the key to maximum cargo payloads and peak economic efficiency for transpacific freighter flights. Further, thanks to your leadership, Mr. Chairman, in 2004 Congress approved flexibility of international and domestic carriers to achieve additional efficiencies by cross-loading, sorting and clearing cargo in ANC to reach multiple locations in the U.S. for eastbound freight and in Asia for westbound freight. So far, at least four carriers are using this flexibility to reach more destinations more efficiently—all to the benefit of the United States economy.

The visitor industry continues to increase passenger traffic as well. This summer construction will begin on a $176.8 million Passenger Terminal project to complement the new C Concourse which opened in 2004. This project is scheduled to be completed by 2010. For both airports in the Alaska International Airport System (Ted Stevens Anchorage International Airport and Fairbanks International Airport) Passenger Facility Charges, or PFCs, are part of the formula for success, but as I will discuss in a minute, Alaska's airport system joins other airports across the country in requesting important updates in the PFC program.

In addition to passenger infrastructure improvements, Anchorage International will see over $100 million in private expansion of air cargo facilities. As one of the first airports that will host the Airbus A–380 in 2009 on FedEx and UPS ramps here, the airport is preparing its airfield, with the help of FAA Letter of Intent funds. Modifying the LOI program, as I will discuss, is critical to ANC's ability to accommodate this 1.3 million-pound aircraft.

Keeping in mind the very strong performance and outlook here at Anchorage International, let me turn now to the major issues with which we need this Committee's continued and strengthened support.

Transit Without Visa

Senator Stevens, your staff has worked tirelessly over the last three years, on the Transit Without Visa issue. I testified last summer before your Committee and am back again this year still asking for your help in resolving the TWOV issue. I am disappointed to report to you that rather than being closer to a resolution with DHS, TSA, and CBP, we quite frankly, see no end in sight. In April, Governor Murkowski and I met with Secretary Michael Chertoff here in Alaska to seek his help in reinstating TWOV in Alaska. Although Secretary Chertoff was receptive, the issue remains unresolved.

Our original, simple request to CBP was to allow carriers to enplane and deplane passengers on transit flights into our special, secure, transit facility at ANC when stopping en route through Alaska to other foreign destinations. In this simple request, well-meaning Federal officials have identified a thicket of technical issues, none of which, we believe, pose any appreciable threat to U.S. aviation security. The

largest issue, for example, is TSA's concern that no Federal employee would personally re-screen these few hundred passengers each day who were previously screened at a foreign point of origin under ICAO standards, and who merely visit our transit lounge before continuing to a foreign destination on the same aircraft on which they arrived. Based on what we believe to be a stretched reading of the Aviation and Transportation Security Act, the TSA believes it raises an issue to allow a TSA-screened passenger to join such a flight transiting through Anchorage to the foreign destination, though there appear to be no material security concerns.

We have spent over $1 million in terminal modifications to separate CBP-cleared passengers from un-cleared passengers. Now TSA is asking us to again modify the terminal to separate the ICAO-screened passengers from TSA-screened passengers. Any justification for this requirement disappears in the face of the TSA's position that such differentially-screened passengers may not mix in the terminal, but may mix onboard the airplane. As a matter of fact, we understand that mixing on the plane has not caused any reported incidents at other airports where it been occurring successfully for some time.

Let me explain the entire DHS-proposed international transit passenger processes:

1. Passengers must process through CBP including passport verification, immigration document processing submitting I–94 forms, and U.S. Visit fingerprinting and photograph.

2. Passengers then exit through Customs submitting Customs Declaration Forms.

3. Passengers must then be re-screened through TSA screening.

4. Finally, passengers return to the gate area, where they must soon thereafter perform exit procedures through U.S. Visit, submitting fingerprint and photo information once again.

All of these processes must be done within the 90-minute ground time. The airline staff spends the entire ground time getting passengers through the DHS processes and back on airplane just to be able to board a few passengers originating in Anchorage.

Currently we have 18 international passenger flight arrivals each week. These flights have operated safely and securely for nearly 20 years. We truly believe these modifications are unnecessary because the basis for the demands have no material security rationale. But if DHS insists on imposing these segregation and/or re-screening requirements that cannot, at the end of the day, reasonably be justified as furthering U.S. security interests, then the Federal Government should bear the burden of paying the cost of infrastructure and additional screeners.

Our main goal continues to be that all passengers be allowed off the airplane into the sterile, secure transit facility with minimal processing, yet exposed to U.S. security officials. We firmly believe the additional processing that DHS is requiring here in Anchorage will soon push carriers to overfly Alaska and the U.S. altogether, to the detriment of both the Alaska economy and U.S. security.

AIP Funding Levels and Formula

Although TWOV and transit passenger processing are our most urgent issues, Federal funding issues loom large on the horizon. Alaska could face a major funding challenge were AIP funding allowed to fall below $3.2 billion. A level of funding below this amount would greatly reduce Anchorage's critical cargo entitlements. Anchorage relies more heavily on cargo entitlements than any other airport in the nation. Because ANC serves as a critical transit and transfer point for a large proportion of international air cargo to and from the United States, funding for our cargo support infrastructure is truly a concern for our national economy, and not merely local interests. We recommend that cargo entitlements be increased 0.5 percent from 3.5 percent to 4 percent to better balance the increased cargo infrastructure needs compared with passenger infrastructure needs. In past years, an effort was made to reduce or cap cargo's share of the funding formula. With growth in heavy air cargo continuing to outpace passenger growth, a modest increase in cargo's share is more appropriate.

Flexibility for AIP Spending

In additional to AIP formula issues, restrictions on use of these funds has also become an issue. Current FAA regulations are very restrictive on the ability of airports to use their entitlement funding. With greater flexibility, airports could use this funding more efficiently.

For example, it would make sense for us to use AIP funds to purchase a larger runway snow blower to be used on the larger runways and taxiways we are building

to accommodate the new larger aircraft. This new snow blower, which clears twice the width of any current equipment, would make our winter operations more efficient, economical and increase safety. The only manufacturer with a proven reliability is a foreign entity. Special condition 9 of the AIP grant agreement precludes us from purchasing this and other essential pieces of equipment using AIP funds.

PFC Flexibility, Penalty and Ceiling

Although airports enjoy somewhat greater flexibility on use of Passenger Facility Charges, there again FAA restrictions include unnecessary and administratively burdensome limits on PFC use. In addition, current FAA regulations reduce AIP funding to medium and large hub airports when they raise Passenger Facility Charges to any level above $3.00. This provision effectively penalizes an airport that collects a higher PFC—depending on passenger volumes, the loss of AIP can exceed any additional PFC revenues. When the FAA asserts that a large reservoir of PFC dollars remains untapped by airports that do not adopt higher PFC rates, that assessment ignores this penalty. PFCs are not Federal funds; those collections should not be subject to any more than minimal restrictions and should not offset Federal dollars. ANC is a perfect example of an airport that could grow this capital funding source for much-needed projects were the AIP offset rule abolished. To strengthen the PFC program for the benefit of airports nationwide, we do support a higher maximum PFC, but we also need to abolish or reduce the penalty for adopting a higher PFC if the program is to live up its potential.

TSA

Turning now from general infrastructure funding, I want to address the special challenge of security funding. As you know the airport operating environment has changed dramatically since the 9/11 attacks. The Transportation Security Administration (TSA) continues to place new requirements on airports without providing airports any funding to carry out the new requirements. In fact, Senator, we are still waiting for an LOI promised by former TSA Administrator Loy in 2003.

While we have worked very closely with TSA leadership, Anchorage was promised that new security requirements would be reimbursed by TSA. To date, these commitments have not been fulfilled. To date, ANC has spent $19.6 million to fund TSA-mandated security enhancements in Concourse C and is projected to spend another $15.0 million in Concourses A & B. The failure of the Federal Government to fund these security mandates has compelled ANC to use revenues that would otherwise be available for important infrastructure development needs. This burden has now been placed on our air carriers, many in dire financial crises. I am hopeful Ted Stevens Anchorage International Airport will participate in the proposed funds in the 2007 DHS Spending Bill.

Air Cargo Security

A security issue of particular importance for Anchorage International is the Department of Homeland Security's recently issued final rules for Air Cargo Security. The approach resulted from collaboration with all parties and correctly emphasizes a threat-based system in air cargo. ANC had already created its own Working Group on Air Cargo Security at ANC with the industry and interested agencies to get a sense of what is realistic and what is overkill, especially for all-cargo air freighters. Our Working Group participated in the national policy process. There are those, on the other hand, who propose such extreme proposals as 100 percent cargo screening and inspection. The effect on our economy, we believe, must be weighed against the threat of attack on air cargo aircraft. In fact, devoting DHS resources to 100 percent inspection for cargo would either require a tremendous additional commitment of Federal funds or it would actually reduce security by pulling inspectors from the tragically proven threat to passenger aircraft. We applaud Congress' awareness that an overzealous bureaucratic solution may not be a good solution at all.

Conclusion

In conclusion, Ted Stevens Anchorage International Airport competes in a worldwide market of Olympic proportions. Our nation's good economic scores in today's global business environment reflect ANC's contribution in delivering value for lowest cost. Air cargo is claiming a growing proportion of international trade with the world. The Federal rules by which gateway airports must play and rules that burden AIP funds and PFCs have an important effect on our ability to provide services at the lowest possible cost to keep pace with other market forces. We believe our proposals for infrastructure and procedural enhancements while ensuring aviation safety and security are essential.

Finally, I would be remiss if I did not note my great appreciation for the incredible support of our outgoing Secretary of Transportation Norm Mineta, his personal support to me and his professional support of the Ted Stevens Anchorage International Airport. Under his leadership and that of Administrator Blakey, former Associate Administrator of Airports, Woodie Woodward, Acting Associate Administrator Kate Lang and Alaska Deputy Manager for Airports Division, Deb Roth, the Ted Stevens Anchorage International Airport has become the Olympic-capable world-class airport it is today.

Thank you, Senator Stevens and Administrator Blakey, for your continuing leadership in providing resources and adopting new cargo legislation to help this great airport serve the nation's interests. I would also like to thank Senator Inouye for his continued support for Alaska and our International Airport System. We look forward to working with you to implement the reforms we have suggested today to continue our strong record of contribution to a secure and efficient national air transportation system. That concludes my remarks, Mr. Chairman.

The CHAIRMAN. Our last witness is Tom George, the Alaska Regional Representative for AOPA.

STATEMENT OF TOM GEORGE, ALASKA REGIONAL REPRESENTATIVE, AIRCRAFT OWNERS AND PILOTS ASSOCIATION

Mr. GEORGE. Good morning. And thank you for the invitation to participate in the panel this morning. My name is Tom George and I serve as the Aircraft Owners and Pilots Association's Regional Representative for Alaska on behalf of over 4,200 members in the state. I'd briefly like to touch on several issues that concern us today.

Funding for the FAA. For the past year, debate over how to fund the Federal Aviation Administration and its associated programs has been underway. The airlines and the FAA are advocating to replace aviation taxes with the user fee system, including taking the air traffic control system out from under the management and oversight and budgetary control of the Congress. For many of us in Alaska are questioning why Washington would totally change the effective mechanism that currently funds the safest, most efficient aviation system in the world. Without Congress acting as FAA's Board of Directors, Alaska's needs would likely be shortchanged.

The FAA claims the Aviation Trust Fund is insufficient and provides funding in a manner that is unpredictable. But the fact of the matter is, with ticket prices and the number of passengers increasing, more money is going into the Trust Fund than ever. Alaska is so reliant on aviation and it plays such an important role in the economic backbone of the state, isn't it appropriate for 25 percent of the FAA's costs to be funded by the general taxpayers? Everyone in the state benefits from aviation system, whether or not they actually fly. Deliveries of goods and services, medical care and supplies, mail delivery and other everyday needs are all dependent on a viable air transportation system.

Turning to airport funding. Alaska relies heavily on FAA funding through the Airport Improvement Program to develop our airports. As you've heard already this morning from I think every other panel member, the Administration's request for the program falls short of meeting Alaska's needs. The President's Fiscal Year 2007 budget proposes to fund AIP at $2.7 billion, nearly a billion dollars less than its authorized level. Due to the specific provisions of the

authorizing statute for the AIP Program, the proposed level of funding would result in Alaska losing over $23 million this next year. Rural airports most impacted by these formulas are also least able to draw from other resources to absorb these cuts.

Fortunately, the House of Representatives rejected this proposal and voted to fund AIP at its authorized level of $3.7 billion last month. The stakes are high for Alaska's pilots, and this is one of AOPA's top priorities in 2006. We urge you to fund the Airport Improvement Program at $3.7 billion.

The Capstone Program. You've already heard this morning about the safety benefits of the Capstone Program. Together both ADS–B and the WAAS elements of the Program are bringing Alaska up to par with the Nation in terms of aviation infrastructure while at the same time generating data to help develop the future of our nation's air traffic control system.

I'd like to add that both programs appear to be much lower cost to install and maintain than some of the current technology. We strongly encourage the FAA to move forward and aggressively deploy the ground infrastructure necessary to provide statewide coverage of ADS–B and WAAS routes and approaches. For this program to continue its record of success in improving safety, the FAA should also support industry efforts in Alaska to develop a financial assistance program to help aircraft owners voluntarily install the equipment needed to realize the full benefits of this program. Without affordable avionics, Capstone and its associated nationwide implementation will be hampered, or will fail to reach their full potential.

I'd like to briefly touch on two weather related programs that are also improving aviation safety in Alaska. The FAA Weather Camera Program, which you've already heard about this morning, has certainly become an invaluable source of weather information to general aviation pilots. Observations recorded every 10 minutes are made available to the public over the Internet. As a frequent user of the Camera Program, I can tell you that being able to look at weather conditions firsthand really helps make an informed decision. And it also helps overcome many of the shortcomings of the unattended automated weather stations. We need to continue to expand this network and to improve the user interface for this beneficial service.

I'd also like to mention the National Weather Service efforts with regard to aviation. They operate an aviation weather website that delivers weather products, often in graphical form, directly to pilots. When I use this site I can also get access to the most current weather satellite and NextRad weather radar data. Ironically it's the only operational way that pilots can graphically view the pilot reports that have been collected by the FAA. AOPA encourages the National Weather Service to continue the development of their Alaska aviation weather website.

I'd like to turn to Unmanned Aerial Vehicles. One area that needs much more attention from the FAA is the issue of Unmanned Aerial Vehicles or UAVs. Potential applications here in Alaska include military training, fisheries monitoring, pipeline patrol and forest fire mapping. Rugged terrain and severe weather conditions make the challenge of mixing UAVs with manned air-

craft worse in Alaska. It's crucial to understand that aircraft are often funneled into narrow mountain passes or compressed under cloud layers, meaning that UAVs and manned aircraft will share limited airspace in close proximity to each other. While exciting technologically, it is important that UAVs don't become a hazard to existing airspace users.

AOPA believes that temporary flight restrictions for UAV operations are not appropriate and that the FAA needs to fully explore the alternatives available to allow Federal agencies to meet their operational needs without impacting general aviation. Alaska's dependence on aviation as a form of basic transportation magnifies the inconvenience of airspace restrictions into a fundamental question of access.

Military use of UAV, is also a concern. We have been told that the Army plans to use unmanned aircraft as part of their training for ground troops near Fort Greely. Where other military UAVs primarily use existing restricted airspace, the Army has stated that it will not ask for restricted airspace for this facility. It is essential that general aviation not be excluded from additional airspace in this area.

When I talk with other pilots they express concern about running into these other aircraft or being blocked by TFRs. The FAA must develop standards to certify UAVs to the same level of safety as piloted aircraft. Failure to do so could further isolate Alaskan residents from the basic necessities needed to survive.

Military airspace. The military shares vast amounts of airspace with civilian users in Alaska in the form of Military Operation Areas. These MOAs are used for military training activities both on a routine basis and for major flying exercises. The civil community has cooperated with the military in Alaska to develop these areas, respectful of both civil and military needs. A major factor contributing to the success is a service supported by the military called the Special Use Airspace Information Service. This service allows civil users to determine the current and near term status of the MOAs in restricted areas, greatly improving the situational awareness and therefore aviation safety for all users of the airspace. This system may need to be expanded to meet the growing needs of the Air Force and the Army as they ramp up their training activities in Alaska.

Mr. Chairman, thank you for the opportunity to bring several of these important issues that affect AOPA members to your attention. Under your leadership, field hearings in Alaska have become an annual event that serves to highlight our state's unique environment to your colleagues. We appreciate this opportunity and your support for aviation. Thank you.

[The prepared statement of Mr. George follows:]

PREPARED STATEMENT OF TOM GEORGE, ALASKA REGIONAL REPRESENTATIVE, AIRCRAFT OWNERS AND PILOTS ASSOCIATION

Good morning. Thank you for the invitation to be here today to discuss aviation issues in Alaska. My name is Tom George, and I serve as the Aircraft Owners and Pilots Association's (AOPA) Regional Representative for Alaska. AOPA represents more than 408,000 pilots and aircraft owners—more than two-thirds of all active pilots in the United States, including over 4,200 members in Alaska.

Alaska, more than any other state, relies on general aviation as a major component of its transportation system. That is why some of the aviation funding proposals being debated back in Washington, D.C. would have a profound negative impact on Alaska's residents. I'd like to share AOPA's concerns in regards to this issue, highlight the initiatives that are improving aviation safety in the state, and outline the areas needing more attention.

Protect the National Aviation System—Preserving the World's Safest, Most Efficient Aviation System

For the past year, debate over how to fund the Federal Aviation Administration (FAA) and its associated programs has been underway. The airlines and the FAA are advocating to replace aviation taxes with a user fee system, including taking the air traffic control system out from under the management oversight and budgetary control of the Congress. But many of us in Alaska are questioning why Washington would totally change the effective mechanism that currently funds the safest, most efficient aviation system in the world. Without Congress acting as the FAA's Board of Directors, Alaska's needs will likely be shortchanged.

The FAA claims the Aviation Trust Fund is insufficient and provides funding in a manner that is unpredictable. But the fact of the matter is, with ticket prices and the number of passengers increasing, more money is going into the Trust Fund than ever. Alaska is so reliant on aviation and it plays such an important role in the economic backbone of the state, isn't it appropriate that 25 percent of the FAA's costs be funded by the general taxpayers? Everyone in the state benefits from the aviation system, whether or not they actually fly. Everyday deliveries of goods and services, medical services and supplies, mail delivery and other everyday needs are all dependent on a viable air transportation system.

Airport Funding—Essential to Alaska's Transportation System

Congress has been particularly mindful of Alaska's reliance on aviation transportation through its strong support of the Airport Improvement Program (AIP). AIP grants provide much needed funding for airport development projects such as airfield capital improvements and repairs, navigational aids, airfield lighting, land acquisition, and planning studies.

But as this Committee is well aware, the Administration's request for this vital program has many AOPA members, especially those of us in Alaska, alarmed. The President's FY07 budget proposes to fund AIP at $2.7 billion—nearly a billion dollars less than its authorized level.

And the story gets worse. The current authorizing statute for AIP contains several special rules that are triggered only when AIP is funded at $3.2 billion or higher. One of those special rules creates a direct entitlement program for general aviation airports. While the $150,000 annual nonprimary airport grant may not sound like much money in Washington, D.C., it adds up for Alaska's aviation system. This year, under the nonprimary entitlement program, 159 Alaskan airports are entitled to $22,938,653. Another rule triggered by this funding level doubles the amount of special funding Alaska receives, known as the "Supplemental Apportionment for Alaska." This year, Alaska will receive $21,345,114 through this supplemental apportionment.

If AIP is funded below $3.2 billion, Alaska will lose over $23 million in AIP funding—making it one of the top five states most severely impacted by this cut. Aviation is too important to Alaska to jeopardize our economy by allowing these cuts to be enacted.

Fortunately, the House of Representatives rejected this short-sighted proposal, and voted to fund AIP at its authorized level of $3.7 billion last month. The stakes are high for Alaska's pilots, and this is one of AOPA's top priorities for 2006—we urge you to fund the Airport Improvement Program at $3.7 billion.

Improving Safety—Leading the Way for Aviation Technology With Capstone Program

Another top priority is fully realizing the safety benefits from the Capstone Program. Documented studies show a 47 percent reduction in accidents for general aviation aircraft using this new technology here in Alaska. The FAA partnered with the aviation community in Southwest Alaska to operationally demonstrate Automatic Direct Broadcast–Surveillance or ADS–B. General aviation pilots in Alaska have proven its viability, and it is one of the building blocks of the FAA's Next Generation Air Transportation System. This new data link technology provides a greater situational awareness to pilots and air traffic control, increasing safety in the sky and for the general public on the ground.

A second phase of the program, still in deployment, is enhancing the Global Positioning Satellite System (GPS) with the Wide Area Augmentation System (WAAS)

in Southeast Alaska. This will provide customized air traffic routes and approaches to better navigate the fjord-like terrain of the region. Since it does not need ground based navigation stations, these routes are easily adapted to the sea-level channels, and provide much lower minimum enroute altitudes. This is especially important for general aviation aircraft that are unable to handle icing at higher elevations.

To put it simply, the Capstone Program is bringing Alaska up to par with the Nation in terms of aviation infrastructure, and generating data to help develop the future of our nation's air traffic control system. These technologies have clearly shown the potential to increase aviation safety and access to rural Alaskan communities, many of which are still limited to daytime only visual operations (VFR). We strongly encourage the FAA to move forward aggressively to deploy the ground infrastructure necessary to provide statewide coverage for ADS-B and WAAS routes and approaches. For this program to continue its record of success in improving safety, the FAA should also support industry efforts in Alaska to develop a financial assistance program to help aircraft owners voluntarily install the equipment needed to realize the full benefits of this program. Without affordable avionics, Capstone and its associated nationwide implementation will be hampered, or fail to reach its full potential.

Weather Reporting Programs—Another Important Tool for Improving Safety

Very quickly, I'd like to mention two weather-reporting programs that are also enhancing aviation safety in Alaska. The FAA Weather Camera Program is rapidly becoming a valuable source of weather information to general and commercial aviation pilots. Observations are recorded every ten minutes, uploaded onto the Internet, and made available to the public. This allows pilots to look at weather conditions firsthand before making operational decisions, overcoming many of the shortcomings of the unattended automated weather stations.

The National Weather Service's Alaska aviation weather website is filling a vital role in delivering weather products, often in graphic form, directly to pilots. The same site provides access to the most current weather satellite and NextRad weather data. Ironically, it is the only way that pilots can graphically view the pilot reports collected by the FAA. These observations, made by the pilots as they fly, bridge the huge gaps in data between ground reporting stations. AOPA also encourages the National Weather Service to continue the development of their Alaska aviation weather website.

Unmanned Aerial Vehicles (UAVs) Must Be Implemented Carefully and Without Negative Impacts on General Aviation

One area needing much more attention from the FAA is the issue of Unmanned Aerial Vehicles (UAVs). Potential UAV applications in Alaska include military training, fisheries monitoring, pipeline patrol, and forest fire mapping. Rugged terrain and severe weather conditions make the challenge of mixing UAVs with manned aircraft worse in Alaska. It's crucial to understand that aircraft are often funneled into narrow mountain passes or compressed under cloud layers, meaning that UAVs and manned aircraft will share limited airspace in close proximity to each other. While exciting technologically, it is important that UAVs don't become a hazard to the existing airspace users.

AOPA believes that "temporary" flight restrictions (TFRs) for UAV operations are not appropriate and the FAA needs to fully explore the alternatives available to allow Federal agencies to meet their operational needs without impacting general aviation. Alaska's dependence on aviation as a form of basic transportation magnifies the inconvenience of airspace restrictions into a fundamental question of access.

Military use of UAVs is also a concern, and the Army plans to use unmanned aircraft as part of their training for ground troops near Ft. Greely. Where other military UAVs primarily use existing restricted airspace, the Army has stated that it will not ask for restricted airspace for this facility. It is essential that general aviation not be excluded from additional airspace in this area.

AOPA recently surveyed its members on the issue of UAV operations. The overwhelming majority rejected the notion of flight restrictions, preferring that the FAA certify unmanned aircraft for operations in the Nation's airspace. The FAA must develop standards to certify UAVs to the same level of safety as piloted aircraft. Failure to do so could further isolate Alaska residents from the basic necessities needed to survive. In addition, pilots have safety concerns that must be addressed by the FAA before UAV operations should be considered. Some of these are technical and some are regulatory including:

- The inability of UAVs to see and avoid manned aircraft;

- The inability of UAVs to immediately respond to ATC instructions;
- The absence of testing and demonstrations that UAVs can operate safely in the same airspace as manned aircraft; and
- The need to certify UAVs to the same level of safety as manned aircraft.

Military Airspace—Expansion Requires the DOD to Share More Information With Pilots

The military shares vast amounts of airspace with civil aviation users in Alaska in the form of Military Operations Areas (MOAs). These MOA's are used for military training activities, both on a routine basis and for major flying exercises. The civil community has cooperated with the military in Alaska to develop these areas, respectful of both civil and military needs. A major factor contributing to this success is a service supported by the military called the Special Use Airspace Information Service (SUAIS). This service, formally defined in a 1997 Record of Decision that established the airspace complex, allows civil users to determine the current and near-term status of the MOAs and restricted areas, greatly improving the situational awareness and therefore aviation safety for all users of the airspace. This system may need to be expanded to meet the growing needs of the Air Force and the Army as they ramp up their training activities in Alaska.

Congress Should Prevent Premature Decommissioning of LORAN

General aviation pilots heavily rely on the Global Positioning System (GPS) for electronic navigation. In the case of unexpected GPS outages, pilots generally rely on ground based navigation aids such as Very High Frequency Omni Range (VOR). This is a suitable solution for now. However, VOR is generally believed to be an unsuitable backup for advanced GPS positioning and timing applications, such as ADS–B. Except for VOR, virtually all backup options are difficult for general aviation pilots to utilize, due to excessive cost or technological immaturity.

Some believe that the Long Range Navigation (LORAN) system is a viable GPS backup for aviation users. Unfortunately, the Department of Homeland Security's (DHS) U.S. Coast Guard has proposed to decommission LORAN as early as this September. Given the apparent need for an affordable, robust GPS backup that has similar performance, and supports the positioning and timing needs of aviation, the decommissioning of LORAN by the DHS is premature. Once gone, LORAN will no longer be a backup option, and any other suitable alternative would likely be more costly, take longer to implement, and would be the financial responsibility of the FAA exclusively. Congress should prevent LORAN decommissioning until the FAA can conclusively validate LORAN performance, and verify LORAN is a suitable backup to GPS. The FAA should also provide Congress with an assessment of the viability of affordable LORAN receivers that can be certified for general aviation. AOPA firmly believes that consultation with aviation users should be conducted before decommissioning LORAN.

Mr. Chairman, thank you for the opportunity to bring several of these important issues that affect AOPA members to your attention. Under your leadership, field hearings in Alaska have become an annual event that serves to highlight our state's unique environment to your colleagues. As you well know, those of us that call Alaska home share a passion—one that is not easily understood by those in the lower 48—for this place, so we truly appreciate your desire to represent us in the fervent manner that reflects who we are.

The CHAIRMAN. Thank you very much. I do appreciate all of you for being with us today. Now, John, you mentioned the monies were already appropriated in the past. Are any of those amounts available for 2007? Are they carrying over any money?

Mr. TORGERSON. I believe we are, Senator. I don't know the amount but some of our funding lapses over fiscal years. If that's what you're referring to.

The CHAIRMAN. I don't remember whether we made those 2 year or no-year appropriations. We made money available in the past for the state's priorities. You indicated that you had some carryover moneys as I understand it. I wondered have you checked to see if those are possible to carry over to Fiscal Year 2007?

Mr. TORGERSON. For the rural airport lighting system this is the last year of that appropriation for that total of $38 million so that'll be—that's currently being allocated and used now.

The CHAIRMAN. I know it's been made available to you but have you used it?

Mr. TORGERSON. No, sir, we're currently in the construction and bidding process for a lot of that money now.

The CHAIRMAN. Can you tell me how much you have available for 2007?

Mr. TORGERSON. I'm looking back at my Program Manager. I don't know that number, Senator, but I'll——

The CHAIRMAN. It's going to be a very touchy amount this year because of the increased demand for those moneys and we have a little bit of argument with the Administration over how much those TSA fees should be. So I would like to know how much is available. It might reduce the amount that we'd have to ask for for 2007 which would be a lot of help.

Mr. TORGERSON. I will get that number to you, Senator.

The CHAIRMAN. Good. Bob, it seems to me what you were saying, we need funding, funding, funding in so many programs we've started now. What is your feeling about the situation that we face in terms of the kind of technological improvements needed? This new weather program, how essential will that be to your operations?

Mr. HAJDUKOVICH. We rely on the weather camera system itself in our dispatch department for 135 and 121 operations. Many times an element of the AWOS system will be out of service and we can look at the camera system to give us a real live view of what's happening out there. So we heavily support the weather camera system. I can't really speak to the kiosk setting because we're so dynamic in the company, you know, dispatching real time we don't—we would probably not make it to a kiosk from the company standpoint. But from the private pilot standpoint, I would think that would have value placed in key locations in the state.

The CHAIRMAN. You use other systems than this for your operation on a commercial basis?

Mr. HAJDUKOVICH. We use the flight tracking system that marries the ADS–B targets into the Air Traffic Control System and with the radar environment to track our aircraft in the system. We also use the Iridium phone to have pilots be able to communicate back to dispatch. You know, one of the things that I think that I focused on over the last several years is—it's the decision to launch, it's not so much that decision en route. Once you've already committed to en route you've already gone airborne, you have a level of commitment to get to your destination. And so I think the more that we can communicate, for example a float plane pilot setting down on a lake and being able to contact whoever's going to be looking for him on the other end or his—or the wife or the husband that's going to be trying to track you. So the two-way communication, I think, is going to be critical to safety in Alaska and that comes through Iridium, and the decision to launch by giving the information through systems like the weather camera system.

The CHAIRMAN. John Torgerson mentioned some of the problems with the lighting program. Has this lighting program enhanced

your operations? I noticed it's all VFR clearance. You go in with IFR, don't you?

Mr. HAJDUKOVICH. Yes.

The CHAIRMAN. Has this lighting program helped your situation at all with regard to commercial aviation into those fields?

Mr. HAJDUKOVICH. Absolutely. There's—we go into some of the larger communities or larger runways so we didn't see a lot of the lighting problems. But we—for example, Stevens Village, we grew up serving that community and it was very difficult landing, flare pots and getting people to line their snowmobiles up and that—those days are gone. What's replaced getting me up in the middle of the night at 3 in the morning to catch an emergency medevac is we have a more developed medevac system in the state. Those systems rely on risk assessment programs and want to be a part of all these programs. And so what's critical is we have, you know, real air ambulance programs that are out there saying, OK, well, we want to do it by the numbers and so we need the airport lighting. So they have been very critical.

The CHAIRMAN. You heard the comments of Tom George about UAVs. Do you have any serious question about the use of UAVs? You operate primarily out of Fairbanks, don't you?

Mr. HAJDUKOVICH. Yes. And I think in the Big Delta area we don't have any flight routes over that area but we can get vectored quite often around MOAs and sometimes I guestion why the military can't get the vectors themselves. We're the ones paying for the gas real time. And so that's a bit of a frustration but the Unmanned Military Vehicles or the UAVs, in Big Delta I could see a problem because that's a big path that private aircraft take. There's very little commercial activity out that direction but a tremendous amount of private activity.

The CHAIRMAN. Well, there's a substantial projection of increased use of UAVs by Federal agencies here, the Coast Guard as well as the Army. Have you had any meetings with them? Have there been any sessions with general and commercial aviation on the use of those new Unmanned Vehicles?

Mr. HAJDUKOVICH. You know, as I understand it, the military committee kind of reinvents itself every year and I know they're going through that again in the Fairbanks area and I'm not as involved with that as my father-in-law, Richard Wien, has been so I think he would have an opinion on that. But I know that's going to be a major issue and I would agree with Tom that it's very significant to the private side as well as commercial depending on where they go.

The CHAIRMAN. Well, I wear another hat in terms of defense appropriations and I can tell you there is a substantial increase coming in the use of UAVs by the military in Alaska. And I think we should reconvene those coordinating committees. They worked it out very well in terms of the problems of the sonic booms. I think we could find a way to coordinate that. And I look forward to working with you on that. Mort, I too am frustrated that we did not get the decision out of the Department of Homeland Security that was committed to us and when I go back we will take up the comments you've made. I am also disturbed about your report concerning the failure to give us the certification for the international passengers

that are just coming off. They must offload because of another regulation, because the planes are being refueled, right?

Mr. PLUMB. As I mentioned, we have—of the 18 international passenger flights, from only 4 are passengers allowed off. The rest of those must require passengers to stay on the aircraft while it is on the ground, mainly Cathay. So while you could hypothesize there's a threat when these aircraft land or takeoff, for 20 years there has not been a threat. And these airplanes still land and take off. It's just these people simply cannot get off the aircraft. And we lose a very good intelligence source as it stands now. We have the advance passenger manifest so we know who is on the airplane. If we let these people off and we check their documents, get their thumbprint and take their picture and put them back on, we're way ahead of the game. Many times CBP pulls people off this airplane and deports them back. Absent the ability to get these people to stop here, these people will simply find other means and will overfly us and go to Canada or possibly Mexico and be 60 miles from our border. So I think it's a win, win situation. It's a win for our economy. It's a win for our security if we can work through these issues and let these people off.

The main problem is when passengers from China travel from Hong Kong to Toronto and they buy a ticket, they don't have the expectation of stopping in the United States because China is a visa country. So if they cannot get these people to buy tickets on that airplane, Cathay is simply going to pull 14 flights out and overfly us to Toronto which is what Continental does right now. So, clearly the logic escapes me.

You could possibly hypothesize a scenario where someone could possibly get through, but I think the reality of that is very remote. We've had these operations for 20 years on ITIs and travel—International and travel without visa waiver and we've never had anyone that has gotten out of the secure area. So, again, I think that this is something that there's been some foot dragging on. I think there's some stretched interpretation of things. We all know how horrific it was after 9/11 and the people that I have spoken to, that doesn't mean that there are others that have an opinion—don't have an opinion. But the Congressional intent did not perceive the way they are implementing the current regulations. And I guess, short of DHS making a policy decision, it will have to be fixed legislatively.

The CHAIRMAN. Is this basically TSA that you're dealing with?

Mr. PLUMB. It is the Department of Homeland Security. And it gets a little confusing in that it is basically a CBP, a Customs and Border Protection, regulation that they are looking at. But if they find their way through that, there's a position within the Transportation Security Agency that claims that these people would have to be re-screened or screened by U.S. officials. The thing that's interesting at Vancouver and Toronto, we have an issue called pre-clearance. We have people that are screened by Canadian officials and then they walk a distance and their papers are checked and that gives them entrance into this country. They board an airplane. They go to Seattle. From there they go to Los Angeles, Las Vegas, New York. They enter our system. But the same Canadian screening at Whitehorse does not apply. We have yet to be informed as

to why someone that is screened in Canada by Canadian officials and someone that is screened in Whitehorse by Canadian officials is different. Furthermore, the only thing that is different, here at Anchorage, they walk a distance down in Vancouver and they talk to CBP officials. Here, the first person they see when they walk off the airplane is a CBP official. So, again, the logic escapes me.

The CHAIRMAN. We'll take a good look at it when we get back and I'll get in touch with you. I'll instruct the staff to work on that particularly because we did have a commitment on that. And I'm sad to hear that it's not been kept. Mr. George, these are tough times for us in terms of the FAA budget. And it seems that you're the first person I've heard that supports an increased TSA fee. Is that what you said?

Mr. GEORGE. An increased TSA—no. A continued general fund appropriation to support the FAA, in addition to just the continued tax structure that's there today.

The CHAIRMAN. I see. Well, I wish I could do that. The budget's a little tight right now to do that. In terms of AOPA, are you involved in the UAV question also?

Mr. GEORGE. Yes, and to the best of my knowledge there's been one meeting that NOAA and Homeland Security held here in Alaska in general to talk about UAVs. I wasn't able to personally attend that meeting but thanks to help from the Alaska Airman's Association, we did have a general aviation representative there. And it sounds like, yes, there are very ambitious plans, not just on the part of the military but other agencies interested in, you know, pipeline patrol, Fish and Game, surveys as well as fisheries monitoring. And again, that's where our concerns come up. We've got to find a way to do that, that doesn't impact the rest of the aviation community.

The CHAIRMAN. What do you think about the comments that Ms. Blakey made about these new facilities such as this weather kiosk and things like that. Are these going to be acceptable to your people, the Kiosk Program that's going to start at Lake Hood for instance?

Mr. GEORGE. Well, we're very interested to look at it. And actually, I haven't yet had a chance to look at this. I think it's just being rolled out. The weather camera program definitely is crucial to us. And I think finding other ways to get that information out is important. A lot of issues have to be addressed like, where in the rural airports kiosks like this would be located, knowing that a lot of the airports in Alaska actually have no infrastructure on the ground, including even a warm place to wait for weather conditions to improve. I think taking any step with a couple of these kiosks is a good idea. I'm hoping if it's not included today, the weather service website can be included with it. And we'll certainly work with the FAA to figure out what makes sense in terms of deployment to extend the reach to the people on the other end of their flight so to speak.

The CHAIRMAN. As I understand it, this is going to be placed at Lake Hood soon, right? I'd be very much interested in the reaction of general aviation to this because that's really basically what it's for. And we're going to have to have some user statistics in order to get the funds to expand this throughout the state. That will be

another substantial expense, I think, before we're through. So I would urge you to use your facilities at AOPA to get the information out about this new system and to see if we can get some user reaction to it. The unique part of it is that you have the commercial weather channel as well as the FAA side-by-side and, as I understand it, you can change your flight plan on what you see right there, is that right? You'll be able to contact and change the flight plan based upon what you picked up on this machine. So, I think we need feedback. I've just been given a note, Mort, that our general counsel is working with you on TWOV, and the Department of Homeland Security is not being helpful in terms of this. We're going to have to find out why. They keep, apparently, vetoing the final decision even though the Secretary committed to us he would make that decision. So we'll take that up when we get back. I don't know if any of the FAA people have any questions about this panel. I don't have any further questions. I do thank you very much for coming. We'll review your statement, Mort, it's a good one and I'll get it faxed back to Ken today, so that by the time we get back to work next Monday, we'll have some contacts ready to make with the Department to see what we can do to get them off the dime as far as that's concerned.

Mr. PLUMB. Thank you.

The CHAIRMAN. That international situation reminds me of right after 9/11 when all the planes went somewhere else because they didn't know what was going to happen if they landed here. So we will work on it and we'll help as much as we can. Thank you, Bob, for coming.

Mr. HAJDUKOVICH. Thank you.

The CHAIRMAN. Best to your father-in-law. Thank you, John, appreciate it very much.

Mr. TORGERSON. Thank you.

The CHAIRMAN. That will terminate the hearing here. We look forward to following up on some of these issues when we have further hearings of the Commerce Committee in Washington. Thank you very much.

[Whereupon, at 10:59 a.m., the hearing was adjourned.]

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