

EXECUTIVE SUMMARY

A FRONT BURNER ISSUE:

The search for an adequate and stable source of funding for the FAA intensifies. The Trust Fund, as currently structured, is not up to the challenge.

LOOKING FOR ANSWERS:

To help in the search, the FAA is hosting a two-day forum to pick the brains of industry and government representatives who presumably have good ideas.

ATO SUCCESSES AND CHALLENGES:

COO Russ Chew discusses ATO successes and challenges with a House panel. Inadequacy of the Trust Fund also a pivotal part of that discussion.

AVIATION CATALYST FOR ECONOMIC GROWTH:

In Chile, Administrator challenges world development banks to focus more resources on aviation.

MINETA SIGNS OPEN SKIES**AGREEMENT WITH INDIA:**

The signing took place during 10-day, four-country transportation and trade visit to Asia. Mineta also announces Indian Aviation Cooperation (ACP) program.

LASERS TO WARN PILOTS IN CAPITAL AREA:

NORAD rings nation's capital with laser lights to warn pilots to keep them from straying into prohibited areas.

SABATINI AND RITZ ON LEADERSHIP:

What is leadership? Nick Sabatini and Lindy Ritz discuss this and other issues in a webcast interview to be aired next week.

THE LAST WORD:

Feedback on branding much appreciated. You made a difference. "That'll cost you an arm and a leg" doesn't involve removing body parts, as you might think.

A FRONT BURNER ISSUE:

You're going to hear a lot about the Aviation Trust Fund over the next several months, so prepare yourself. The Administrator raised the issue at the Wings Club of New York and the

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Aviation Forecast Conference in March, and yesterday she discussed the matter in a speech to the U.S. Chamber of Commerce. And, recently, Chief Operating Officer Russ Chew discussed the matter before the House Aviation Subcommittee (see below). What's the issue? Basically, the Aviation Trust Fund no longer provides a stable and adequate source of funding for the FAA, and we need to do something about it. What lends special urgency is the fact that the taxes that fuel the Trust Fund expire in 2007 and it is none too soon to start thinking about alternatives.

Here's an excerpt from the Administrator's speech to the Chamber of Commerce: "Just like the airlines we serve, the Aviation Trust Fund that

supplies most of the FAA's operating revenue and capital investments are largely fed by ticket prices. As airline revenues go, so do we. And vice versa. The problem is that ticket prices are not related to any real measure of productivity for the FAA. For those of you who've been following aviation safety, you know that we're in the safest three-year period in aviation history. But no matter how many take-offs and landings, no matter how many radars or runways, no matter how low the accident rate goes ... most of our income is pegged to ticket prices... which everywhere you look continue to fall." http://www.faa.gov/news/speeches/speeches/Blakey/2005/speeches_blakey_050421.htm

LOOKING FOR ANSWERS: Nobody here has a best answer to

the challenge described above. That's why the Administrator is hosting a two-day FAA Funding Forum this week — yesterday and today— to pick the brains of stakeholders from the private sector, Congressional staffers and other government representatives who presumably will have some good ideas to share that we hadn't thought of. The Administrator herself has no preferred alternative funding mechanism or favored funding model in mind. She just wants to start the dialogue, because the taxes that fuel the Trust Fund expire in '07 and we'd better have some good alternatives in our hip pocket long before then. Participants in the forum include Secretary Mineta and Administrator Blakey.

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They'll speak, to be sure, but DOT and FAA participants will be mostly in a listening mode. For more on the Trust Fund challenge, see Editorial in this edition of Focus FAA.)

ATO SUCCESSES AND CHALLENGES:

Chief Operating Officer Russ Chew testified before the House Aviation Subcommittee last week on ATO successes and challenges. Simultaneously, the FAA published the first annual ATO Performance Report, which describes the organization's activities and achievements since the launch of the Air Traffic Organization (ATO) in 2004. The report is posted on the front page of the FAA public website at <http://www.faa.gov>

Also testifying at that hearing was Jeff Shane, Under

Secretary of Transportation for Policy, who discussed the Joint Planning and Development Organization (JPDO). DOT Inspector General Ken Mead also testified, as did GAO director Gerald Dillingham. A second panel of witnesses included NATCA President John Carr; Tom Brantley, President, Professional Airways Systems Specialists; and John Douglas, President and CEO of the Aerospace Industries Association.

By going to the House website, you can get all seven statements in one spot: <http://www.house.gov/transportation/>

AVIATION CATALYST FOR ECONOMIC GROWTH, SAYS BLAKEY:

Speaking to an international audience of aviation lead-

ers this week in Chile, Administrator Blakey called on the world's development banks to commit their resources to the development of aviation infrastructure. Citing a vision of the future in which broad public-private international partnerships are an integral part of the growth of global economies, she challenged international financial leaders to direct funds toward development of aviation infrastructure. Billions of dollars from international monetary funds are directed toward industrial and agricultural investments instead, she said. "Today, these banks (the World Bank, the Inter-American Development Bank and others) need to concentrate more on helping countries get their products and resources delivered to

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foreign markets. Countries cannot thrive in today's competitive global environment without a safe and efficient aviation system."

The FAA will be hosting a seminar in Washington later this year to underscore the importance of aviation as a catalyst for economic growth. (For the Administrator's Chile speech and the one before the Chamber of Commerce, see <http://www.faa.gov/news/speeches/?/Type=Blakey2005#Blakey2005>)

MINETA SIGNS OPEN SKIES AGREEMENT WITH INDIA:

"More flights, lower fares and stronger economic ties will be the result of a new Open Skies aviation agreement between India and the United States." That's how Secretary Mineta described the impact

of the open skies aviation agreement between the U.S. and India that he and Indian Civil Aviation Minister Praful Patel signed last week in New Delhi. The signing took place during the Secretary's 10-day, four-country transportation and trade visit to Asia, which also included stops in Japan, Thailand and Hong Kong.

Doug Lavin, Assistant Administrator for International Aviation, accompanied the Secretary. He said Mineta also announced in India the establishment of the Indian Aviation Cooperation (ACP) program, which is a government industry partnership focused on aviation safety initiatives. The India ACP is modeled after a similar program in China and is chaired jointly by the FAA

and industry. A disappointment, said Lavin, is that a memorandum of agreement for FAA to provide technical assistance to India was not signed during the trip.

Lavin, who is leaving the FAA at the end of the month for a senior Vice President position with the International Air Transport Association (IATA), got warm praise from the Administrator yesterday at Lavin's final Flight Plan Review meeting. She praised the energy and innovations he brought to the international program and said that his contributions will endure long after he is gone.

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LASERS TO WARN PILOTS IN CAPITAL AREA:

NORAD, the North American Aerospace Defense Command, announced recently that it has deployed a ring of laser warning lights around the nation's capital region and will activate it next month to alert pilots who stray into restricted airspace. FAA is cooperating closely with NORAD on this, and will be working with pilot groups and others to make pilots aware of this new warning system.

If you're wondering why we would use lasers to warn pilots when just recently we made such a big deal about the dangers of lasers beamed into the cockpit, you are not alone. The same thought occurred to us. The answer is that the warning lasers to be used in this instance are low-

level and are not harmful to a pilot's vision.

Hundreds of pilots stray inadvertently into restricted airspace around the capital every year, but since 9/11 this is a much bigger deal. You no doubt recall that last year a plane carrying the governor of Kentucky to former President Ronald Reagan's funeral penetrated restricted airspace by mistake and forced the evacuation of the Capitol. That helped propel this latest move.

SABATINI AND RITZ ON LEADERSHIP:

Government Executive for April 13 had an interesting article about leadership — or lack thereof — in Federal service. According to the article, 75 percent of top civil service executives are older than 50 and nearly half are

over 55, and we're not doing much to prepare the next generation of leaders. The article basically consists of leadership profiles of several Federal executives or managers who are considered real leaders in their organizations. Leadership is a hard concept to define, but you know it when you see it, and leadership is one of the areas we got low marks on in the Employee Attitude Survey. Last week, we sat down in front of a camera with Nick Sabatini, Associate Administrator for Aviation Safety, and Lindy Ritz, Director of the Aeronautical Center in Oklahoma City. They discussed what leadership looks like to them, the difference between management and leadership, what they are doing to prepare their successors to take over,

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and more. We'll have this interview available for viewing next week on webcast (via the employee site) and will send out the word long in advance on the exact day and time. Stay tuned.

THE LAST WORD:

After we launched the new communications products on April 12, we heard from several of you that some of the branding material needed work. So, we've fixed — or are fixing — those areas you identified. When you go to the branding site, you may still see a few areas where it says something to the effect that this particular item is being worked on — thanks to your feedback — and will be back up shortly. Shortly is the key word. If it's not back up yet, it will be shortly.

Thanks for the feedback. It was very helpful.

Last week was the 10th anniversary of the Oklahoma City bombing. Don't miss the article in this issue of Focus FAA on Cheryl Scroggins, one of FAA's own who lived through the tragedy and has been able to move on with her life despite the horrors of that day.

Finally, if you've ever wondered where an expression like "it'll cost you an arm and leg" came from, it's not a Mafia term for exacting an overdue 'protection' payment. It actually has to do with portrait painting, or sculpting too, we would imagine. In any event, according to an unnamed source, prices charged by painters were not based on how many people were to be painted, but by

how many limbs were to be painted. Limbs, not as in trees, but as in arms and legs. So, painting a full-length portrait — arms and legs — would cost more than a portrait of someone just from the waist up. Stands to reason. Ergo, the expression, "okay, but that will cost you an arm and a leg." Sounds apocryphal, I know. Maybe even an urban legend. Hope to see you in a couple of weeks.

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