

A REVIEW OF THE FAA'S CONTRACT TOWER PROGRAM

(112-93)

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

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Committee on Transportation and Infrastructure

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July 13, 2012

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MEMORANDUM

TO: Members, Subcommittee on Aviation

FROM: The Honorable Thomas E. Petri, Chairman, Subcommittee on Aviation

SUBJECT: Hearing on "A Review of the FAA's Contract Tower Program"

PURPOSE

On July 18, 2012, at 10:00 a.m., in room 2167 of the Rayburn House Office Building, the Subcommittee on Aviation will meet to review the Federal Aviation Administration's (FAA) Contract Tower Program and receive testimony on the Department of Transportation Inspector General's audit of the FAA's Contract Tower Program, and related issues.

BACKGROUND

FAA Contract Tower Program

Under the Contract Tower Program, the Federal Aviation Administration contracts with private entities to provide air traffic control services at Visual Flight Rules (VFR) airports¹. The program is intended to reduce the cost of air traffic control services and to enhance aviation safety by providing air traffic services at airports where federally-staffed towers would not be cost effective.

¹ Air traffic controllers at these airports sequence and separate aircraft visually and with radio communication during times where horizontal and vertical visibility is greater than three miles and 1000 feet respectively. They do not use RADAR as a primary means of control.

Created in 1982, the Contract Tower Program began as a pilot program to reopen five Level I towers that had been closed as a result of the 1981 air traffic controller strike.² In 1994, Congress provided funding to convert all remaining Level I towers to contract operations.³ At that time, the program was further expanded to allow for the construction of new contract towers. The Contract Tower Program has since expanded to towers at 250 airports.

In 1999, Congress funded a cost-sharing program that allows airports that would not otherwise qualify to take part in the Contract Tower Program. A community can choose to enter the program by paying for a portion of the tower's operating costs to meet FAA's threshold benefit-cost ratio of 1 to 1. Of the 250 towers currently in the Contract Tower Program, there are 16 towers where the FAA and the local community share the costs of operating the tower.

Contract towers and FAA-staffed VFR towers serve both large and small communities in urban and rural areas.⁴ There are also a number of commercial service airports that are served by contract towers.⁵ Controllers at FAA contract towers are free to join a union, and currently controllers at approximately 35 percent of the contract towers belong to either the National Air Traffic Controllers Association (NATCA) or the Professional Air Traffic Controllers Organization (PATCO).

The FAA retains safety oversight of the contract towers and the controllers who staff them. All contract controllers are certified by the FAA, contract tower facilities are monitored on a regular basis by the agency, and staffing plans at contract towers are approved by the FAA. Virtually all (99 plus percent) of the FAA contract tower controllers are former FAA or U.S. military controllers, and a majority are retired FAA or military controllers. The average years of experience are about 20 years per contract controller. Contract controllers are subject to the same rules, operational procedures and training as FAA controllers. All contract controllers are required to have an annual FAA medical exam. Finally, all contract towers and FAA-staffed VFR towers use the same tower operating procedures.

² Prior to 1998, the FAA classified towers as Levels I through V, with Level I having the lowest number of flights.

³ The FAA currently operates 71 towers at VFR airports that are fully staffed by FAA employees. These towers (previously known as VFR towers or Level II and III facilities) were not included in the 1994 conversion of Level I towers to contract towers.

⁴ For example, reliever airports for Chicago, Baltimore, St. Louis, Minneapolis, Cleveland, Milwaukee, Hartford, Portland, Tampa, Miami, Phoenix and others are served by FAA contract towers.

⁵ Airports include, Kona and Lihue in Hawaii; Bethel, Kenai, and Kodiak in Alaska; Northwest Arkansas Regional Airport; Appleton, Wisconsin; Phoenix-Mesa Gateway, Flagstaff and Bullhead City in Arizona; San Luis Obispo, Redding and Santa Maria in California; Redmond and Medford in Oregon; Stewart, New York; Branson and Columbia in Missouri; Latrobe, Pennsylvania; Lewisburg, West Virginia; Bloomington and Marion in Illinois; Hyannis, Massachusetts; Charlottesville, Virginia; Key West, Panama City, Gainesville, and Melbourne in Florida; Bozeman, Missoula, and Kalispell in Montana; Hailey, Lewiston, and Idaho Falls in Idaho; Harlingen, Laredo, and Brownsville in Texas; Eagle and Grand Junction in Colorado; Jackson Hole and Cheyenne in Wyoming, Rapid City, South Dakota; St. Croix; Guam; and others.

Department of Transportation Inspector General 2003 Report

In 2003, the Department of Transportation Inspector General (IG) issued a report that provided an independent analysis of comparable cost and safety data at FAA-staffed towers and contract towers.⁶ According to the 2003 IG report, both contract towers and FAA-staffed towers had error rates that were well below FAA's FY 2002 overall average of 6.70 operational errors for every million operations handled. In FY 2002, there were a total of 8 operational errors/deviations at contract towers, producing an error rate of 0.49 errors per million operations. In that same year, there were a total of 38 errors/deviations at FAA-operated VFR towers, producing an error rate of 2.70 errors per million operations. At the time, it was pointed out that on average, the FAA-operated VFR towers handled more complex air traffic patterns, more varied users, and higher volumes of traffic per hour than contract towers. However, for the purpose of comparison, the IG used metrics from 30 FAA-staffed towers that handled operations similar to those of contract towers. The error rate at these 30 FAA towers was 2.03 errors per million flights handled.

According to the 2003 IG report, the average cost to operate a contract tower was \$365,608 in FY 2002, while the average cost to operate an FAA-operated tower was \$1,741,935. However, when comparing metrics from comparable towers, the IG found that the twelve contract towers cost \$917,000 less than similar FAA-operated towers. The IG concluded that the Contract Tower Program saved the FAA \$173 million in FY 2002. Salaries and staffing requirements accounted for the majority of the cost savings. The average annual salary and benefits for a contract tower controller was \$55,000 a year, while the average annual salary and benefits for an FAA controller at a VFR tower was \$109,000 a year. Contract towers often required fewer controllers since they had more flexibility to use part-time labor and tower managers spent time controlling traffic.

Department of Transportation Inspector General Current Contract Tower Work

The DOT IG has current work underway updating the 2003 IG Report and again providing an independent analysis of comparable cost and safety data at FAA-staffed towers and contract towers. Once again, DOT IG's ongoing work demonstrates that contract towers are just as safe and cost less to operate than comparable FAA-staffed towers.

The current contract tower work compares 240 contract towers and 92 FAA towers. The 92 FAA towers are towers that the FAA identified as comparable in terms of total operations. The IG found that in FY 2010 contract towers reported both a lower number and rate of safety incidents than the FAA towers. Specifically, in FY 2010, there were a total of 18 operational errors at contract towers, producing an error rate of 1.24 errors per million operations. In that same year, there were a total of 52 errors at comparable FAA-operated towers, producing an error rate of 4.54 errors per million operations. In FY 2010, there were a total of 12 operational deviations at contract towers, producing an incident rate of 0.83 deviations per million operations. Again, in FY 2010, there were a total of 35 deviations at comparable FAA-operated towers, producing an incident rate of 3.06 deviations per million operations. Finally, in FY

⁶ *Safety, Cost, and Operational Metrics of the Federal Aviation Administration's Visual Flight Rule Towers* (Report Number: AV-2003-057), September 2003.

2010, there were a total of 167 runway errors at contract towers, producing an error rate of 11.55 errors per million operations. Again, in that same year, there were a total of 275 runway incursions at comparable FAA-operated towers, producing an error rate of 24.01 errors per million operations.

In making cost comparisons during the ongoing contract tower work, the IG selected 30 contract towers and compared them to 30 FAA towers with similar air traffic densities.⁷ The IG evaluated the FY 2010 operating cost for each to determine the cost difference on a per year basis.⁸ Based on this sample, the IG determined that the average cost to operate a contract tower in FY 2010 was about \$537,000, compared to about \$2.025 million to operate an FAA tower, a difference of \$1.488 million.

The IG determined that the cost difference is due to two primary reasons. First, contract towers are staffed at lower levels than the comparable FAA towers. The contract towers in the audit sample had an average of six air traffic personnel (air traffic controllers, supervisors, and managers) while the FAA towers had an average of 16 air traffic personnel. Second, contract tower controllers are paid less than FAA controllers. Contract tower controllers' salaries are based on Department of Labor wage rates, which are lower than the salaries paid to FAA controllers. For example, based on current Department of Labor rates, an air traffic controller at a contract tower near Tampa, FL, would receive base pay of about \$56,000 per year, whereas an FAA-employed air traffic controller in Sarasota, FL, an area with a similar cost of living, would receive base pay ranging from about \$63,000 to \$85,000 per year, depending on the controller's experience.

WITNESSES

Panel I:

The Honorable Calvin L. Scovel
Inspector General
United States Department of Transportation

The Honorable David Grizzle
Chief Operating Officer
Air Traffic Organization
Federal Aviation Administration

The Honorable Julie Oettinger
Assistant Administrator for Policy, International Affairs and Environment
Federal Aviation Administration

⁷ The term "air traffic densities" is defined as the average number of operations at a tower per hour the facility is open.

⁸ Costs evaluated included air traffic personnel compensation and benefits, travel and transportation, supplies, materials and insurance. Infrastructure, maintenance, and equipment costs were not included in the IG analysis because under the terms of the contract federal contract tower contractors are not responsible for these costs.

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Panel II:

Mr. Walter B. Strong, A.A.E.
Chairman
United States Contract Tower Association Policy Board

Ms. Trish Gilbert
Executive Vice President
National Air Traffic Controllers Association

Melissa Rudinger
Senior Vice President of Government Relations
Aircraft Owners and Pilots Association

A REVIEW OF THE FAA'S CONTRACT TOWER PROGRAM

WEDNESDAY, JULY 18, 2012

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AVIATION,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:04 a.m. in Room 2167, Rayburn House Office Building, Hon. Thomas E. Petri (Chairman of the subcommittee) presiding.

Mr. PETRI. The Subcommittee on Aviation session will come to order. Today we will hear testimony on the Federal Aviation Administration's Contract Tower Program. And I would like to welcome the witnesses, and we all look forward to your testimony. Thank you for the effort that you have made to prepare that.

The Contract Tower Program has been in existence for some 30 years. This program allows Federal Government to contract with private entities to provide air traffic safety services at low-activity airports. Currently, 250 airports in over 45 States participate in the Contract Tower Program. Contract Towers handle approximately 28 percent of all air traffic control tower aircraft operations in the U.S., but account for just 14 percent of FAA's overall tower operation's budget. The safety and efficiency of the Contract Tower Program has been validated numerous times by the inspector general, the FAA, and the National Transportation Safety Board.

In 2003, the inspector general conducted a review of the cost and safety record of the Contract Tower Program, and found that the program was just as safe as and less costly than comparable FAA-staffed towers. More recently, the inspector general has updated this audit. And again, the inspector general found little difference in the safety or quality of services provided by similar FAA and contract towers.

The inspector general determined that contract towers had a lower number and rate of reported safety instances than similar FAA towers. The inspector general also found that the contract towers provided air traffic services to low-activity airports at lower costs than the FAA could otherwise provide.

The inspector general determined that the average contract tower costs roughly \$1.5 million less to operate than a comparable FAA tower, due largely to lower staffing and salary levels. I want to stress that we are talking about towers at low-activity airports. Operations per hour of these towers range from about 4 operations per hour to about 45 operations per hour. But there are also air-

ports with mixed use and other operational conditions that make it essential they have a tower to ensure safety.

Contract Tower Program is a key component of our Nation's aviation system, and provides vital air traffic services to communities, businesses, and travelers. After almost three decades, this program remains highly popular with its users. Without the program, many communities would not be able to afford these critical services. Contract towers are manned by highly experienced and highly trained professional controllers, 99 percent of whom are former military or FAA controllers, and average 20 years of experience.

FAA retains safety oversight of the contract towers, and the controllers who staff them. All contract controllers are certified by the FAA. Contract facilities are monitored on a regular basis by the agency, and staffing plans are approved by the FAA. Contract controllers are subject to the same rules, medical exam requirements, operational procedures, and training as are FAA controllers. Contract Tower Program is cost-effective, safe, and well-regulated. So I believe today's testimony will confirm the importance of the Contract Tower Program to the national aerospace system.

Before we turn to the witnesses for their statements, I would ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material for the record of the hearing.

[No response.]

Mr. PETRI. And, without objection, so ordered.

And I now recognize Mr. Costello for any opening remarks he would like to make.

Mr. COSTELLO. Mr. Chairman, thank you. And Mr. Chairman, I thank you for calling this hearing today. I have a brief opening statement which I will enter into the record, and yield my time at this point to the ranking member of the full committee, Mr. Rahall.

Mr. RAHALL. Thank you, Mr. Costello. I appreciate that. And I also appreciate Chairman Petri for calling the hearing today on the Contract Tower Program at the FAA. I look forward to hearing from our witnesses about the role of the program for airports in many smaller communities that might not otherwise have control towers.

There can be little doubt that a control tower, whether operated by the FAA or a contractor, enhances safety for pilots. The FAA has implemented a nationwide voluntary safety reporting program that actively encourages FAA controllers to report errors without fear of punitive action. The program shines a spotlight into the dark room of errors that may occur in FAA facilities, revealing safety issues that otherwise may have remained cloaked in the darkness.

However, the FAA's safety program does not apply in contract towers. Peering into the dark room of errors that may occur in contract facilities, we have just a flashlight, the same flashlight that has always been used to find out about operational errors. Comparatively speaking, we know more about errors in FAA facilities because the FAA spotlight is bringing them out of the darkness. Without an equally broad view of errors in contract facilities, I think it is very difficult to draw absolute comparisons about safety.

I would note that the Department of Transportation's inspector general observes that applying the FAA's voluntary reporting program to contract towers would ensure that errors are thoroughly reported. I understand that the FAA is encouraging its contractors to implement safety reporting programs, and I look forward to hearing more about these efforts.

The IG has also found that contract towers cost less to operate than FAA facilities because, in part, they are staffed with fewer controllers. However, the National Air Traffic Controllers Association, which actually represents controllers at a quarter of all current contract towers, has raised safety issues and concerns with lean staffing levels.

For example, controllers may have to stay on duty for longer. They may have to multitask at a greater risk of distraction. They may have to work alone with no backup. Past accidents and incidents have taught us that there must be enough controllers on duty in towers to do the job safely. I am not suggesting that contract towers are not as safe as similar FAA facilities. Rather, I am saying we lack sufficient information to make a strong comparison, and contract towers have not adopted the best practices that would allow us to fully evaluate and improve safety at these facilities. Contract towers should implement the same proactive reporting programs that have been implemented at FAA towers, so that we can collect the best safety information.

With that said, Mr. Chairman, I again thank you for these hearings, and I look forward to the hearings today.

I yield back the balance of my time to Mr. Costello.

Mr. PETRI. Thank you. And we now turn to the first panel. Again, thank you for being here. And let me just briefly introduce the panel.

It consists of the Honorable Calvin Scovel, who is the inspector general of the Department of Transportation, and a frequent testifier before this and the general committee; David Grizzle, chief operating officer of the Air Traffic Organization of the FAA; and the Honorable Julie Oettinger, assistant administrator of Policy, International Affairs and Environment, of the FAA.

Again, thank you for being here. General Scovel.

TESTIMONY OF HON. CALVIN L. SCOVEL III, INSPECTOR GENERAL, UNITED STATES DEPARTMENT OF TRANSPORTATION; HON. DAVID GRIZZLE, CHIEF OPERATING OFFICER, AIR TRAFFIC ORGANIZATION, FEDERAL AVIATION ADMINISTRATION, ACCOMPANIED BY HON. JULIE OETTINGER, ASSISTANT ADMINISTRATOR FOR POLICY, INTERNATIONAL AFFAIRS AND ENVIRONMENT, FEDERAL AVIATION ADMINISTRATION

Mr. SCOVEL. Chairman Petri, Ranking Member Costello, members of the subcommittee, thank you for inviting me to testify on FAA's Contract Tower Program, which has been in place for 30 years, and now spans 250 towers nationwide. The program has provided a valuable service to smaller cities and airports that otherwise would not have air traffic control services, and has increased the level of safety for pilots and those communities.

Our prior reviews of the program have found that safety at contract towers and similar FAA towers was comparable, and that contract towers provided services at lower costs than the agency could otherwise provide. My testimony today is based on our current review of the program, requested by the House Committee on Appropriations, and will focus on the safety and cost efficiency of contract towers, as well as actions FAA can take to improve program oversight.

Overall, contract towers continue to provide safe air traffic services, and are supported strongly by their users. We compared safety incidents reported in fiscal year 2010 at 240 contract towers and 92 comparable FAA towers, and found that contract towers reported both a lower number and a lower rate of operational errors, operational deviations, and runway incursions.

FAA's periodic evaluations of air traffic facilities' compliance with FAA directives also found fewer procedural, training, and administrative deficiencies at contract towers. Pilots, flight instructors, airport officials, and other stakeholders with whom we spoke are satisfied with the quality and safety of contract tower services. In several instances, pilots describe the services provided by FAA and contract towers as seamless.

Contract towers also continue to provide cost-efficient air traffic control services, with the average contract tower costing about \$1.5 million less to operate annually than a comparable FAA tower. The cost difference is primarily due to the fact that contract towers have lower staffing levels than FAA towers. The 30 contract towers in our sample had an average of 6 air traffic personnel per facility, while the sample of 30 comparable FAA towers had an average of 16 air traffic personnel.

Also, contract tower controller salaries, which are based on Department of Labor wage rates, are lower than salaries paid to FAA controllers.

While the Contract Tower Program continues to provide safe, cost-efficient air traffic services that are supported by users, there are opportunities for FAA to improve its oversight and strengthen program controls.

First, FAA needs to implement a voluntary safety incident reporting program at contract towers. Controllers at FAA towers currently have the Air Traffic Safety Action Program, ATSAP, a voluntary, nonpunitive safety reporting program that encourages controllers to report operational errors and other safety incidents. Implementing a similar program at contract towers will help FAA's efforts to ensure one level of safety.

Second, FAA needs to review annual labor hours worked, to determine if contractors provide the level of service stated in the contract. This is important, because we found in the past that some contract hours were not staffed according to contractor staffing plans. In response, FAA required contractors to comply with an approved staffing plan that includes the total number of hours controllers will work annually.

However, we found that the effectiveness of this control is limited, because FAA only reviews the contractors' monthly reports, not the actual annual hours worked by contractors. As a result,

FAA does not validate whether services paid for have been delivered.

Finally, FAA needs to implement processes to regularly evaluate contract towers, as required by the recently enacted FAA Modernization and Reform Act. While FAA's new risk-based oversight system allows the agency to target high-risk towers, lower risk towers, such as contract towers, could go years without being evaluated. In our opinion, periodic evaluations of contract towers are an important factor to ensure the safe and successful performance of this program.

This concludes my statement. I would be happy to address any questions from you, Mr. Chairman, or other members of the subcommittee.

Mr. PETRI. Thank you. Mr. Grizzle.

Mr. GRIZZLE. Thank you for the opportunity to speak with you today about the status of the Federal Aviation Administration's Contract Tower Program. At the outset, let me introduce my colleague, Julie Oettinger, assistant administrator for Policy, International Affairs and Environment. Ms. Oettinger's office is responsible for using the FAA's cost accounting data to refine the agency's cost-benefit analysis, and she is happy to answer your questions related to that topic.

Since its inception in 1982, this program has been part of how the FAA delivers safe and cost-effective air traffic control. There is a general consensus that the program has been successful, and it has created measurable efficiencies in the system for both commercial and general aviation operators, while delivering safety benefits to the traveling public.

The program has grown significantly over the years. It began as a pilot program to contract for air traffic control services for five lower activity towers that were closed as a result of the Professional Air Traffic Controllers Organization strike in 1981. The program grew to 27 towers by 1993. In 1994, Congress provided funding for a multiyear program to convert additional FAA-operated lower activity towers to contract operations. The program was further expanded by including towers at airports that never had an FAA-operated tower. Today there are 250 contract towers in the program across 49 States and territories.

The NAS is currently going through some significant changes. The economic downturn that hit the U.S. in 2008 had a profound impact on aviation operations. There has been a decline in commercial operations at contract towers of more than 13 percent, and a decrease in overall operations at those towers by just over 23 percent. Our forecasts do not see operational levels returning to those seen prior to the economic downturn in the near future. Consequently, we need to make sure we are managing a program that delivers the safety and efficiency benefits to deal with this changing pattern of aviation activity.

We appreciate that Congress has spoken in consistent support of this program. It has authorized a cost share program so some communities with an airport that did not meet the required cost-benefit ratio to qualify as a fully funded contract tower could instead qualify for a contract tower where the cost-benefit ratio was used

as a determination regarding how costs are shared between the FAA and the community.

Last year, however, Congress included a provision that capped the amount any community could be required to pay toward the operating costs of a contract tower in the cost-share program at 20 percent of the total cost of the tower's operation, regardless of the cost-benefit ratio. This will certainly impact the cost associated with this program.

In light of the economic realities, the FAA's ability to maximize its resources to benefit the overall needs of the NAS is extremely important. While it is generally recognized that the Contract Power Program is both cost-efficient and extremely safe, the FAA is always investigating ways to operate the towers it manages more cost-effectively by reviewing and adjusting, as necessary, staffing levels, operating hours, and deployment of system enhancements. For example, we welcome opportunities to safely incorporate best practices from the Contract Power Program into FAA tower operations.

Let me now turn to how the FAA plans to refine the cost-benefit analysis that will be applied to the Contract Tower Program. We continue to use the same basic model for our current cost-benefit work, while updating model inputs including traffic changes, revision to the Department of Transportation's valuation for avoiding fatalities and injuries, and data from the FAA's maturing cost accounting system. We are discussing our approach to incorporating this new information with the U.S. Contract Tower Association to ensure that the FAA is considering all pertinent factors in its calculations of individual towers. The FAA is determined not to make any final decisions until we have had a full and informed discussion with interested parties.

Finally, we are undertaking a number of efforts to ensure a well-grounded, longer term approach. The FAA's Aviation Safety organization is currently conducting a study to compare safety data between airports with staffed contract towers, whether Federal or contract, and airports that are unstaffed. This will provide the FAA with important information about future investment in air traffic control facilities and risk management.

We also need to make sure that the Contract Power Program is well integrated into our NextGen endeavors. How we manage air traffic, how we use technologies, and how we organize our facilities and infrastructure will all change over time as we bring NextGen technologies into the system. We understand that taking a static view of equipment and services will not deliver the system the traveling public requires in order to adapt to dynamic circumstances. As new technologies emerge and are integrated into the system, the needs of the NAS, including those of contract towers, may change in order to take the best advantage of safety and efficiency opportunities.

The FAA is the guardian of a system that has achieved a safety level that is envied around the world. We remain committed to the Contract Power Program as an important component of how we deliver safety and efficiency in the NAS. While fiscal realities must play a role in aviation investments, the FAA will not tolerate any

degradation in safety, and we recognize that Congress and the traveling public share that view.

Thank you for this opportunity to speak before you. I am happy to answer any questions you might have at this time.

Mr. PETRI. Thank you. Thank you both. And I think we do have a number of questions. I would like to ask a few.

Mr. Grizzle, you talk about it being a dynamic system. And, clearly, with the switch to digital and NextGen-type technology, that is going to provide more opportunities for dynamism in the system.

There was a problem a few months ago that made it into the national media about periods at FAA towers where people were sleeping, and this sort of thing. And I think the solution was to man up and maybe put two people in instead of one. Is that a cost-effective way of dealing with the problem, or do you have a system of monitoring movements at airports and which airports could be switched to a virtual tower approach at certain low-use periods, so that TRACON or something can handle the air movements?

Sometimes staffing levels need to change when the number of flights change. And if there are no flights for 6 or 8 hours, and yet someone is on the job, you can't really blame them for staying up the whole time if there are no scheduled flights in that. Could you talk about that as a cost that might be addressed?

Mr. GRIZZLE. Certainly, sir. First of all, we took each of those incidents extremely seriously. Whether there might have been a more cost-effective solution was not our first concern. Our first concern was to do what we believed was absolutely essential for safety. So, we staffed each tower which had a level of operations that would have required us to keep it open during the midshift with two people. The same change was made with Federal contract towers that had a sufficient level of operations that we would have kept them open during a midshift if they had been federally operated towers.

We are looking at various NextGen technologies with a possibility of changing fundamentally the way we do air traffic control in all of our facilities, not just our smaller towers. One of the beauties of NextGen technology is it is largely geographic-indifferent. And so we have opportunities to do our surveillance at locations that we previously wouldn't have been able to employ. But we don't have those online yet, but we are certainly looking at them for, again, small towers and all of our facilities.

Mr. PETRI. Because there are flights into airports where there are no towers operating that are handled by TRACON now, as I understand it, on a fairly common basis.

Mr. GRIZZLE. It is not extremely common, but it does occur, yes.

Mr. PETRI. Are you—you were talking about new technology and changes and your analysis of it. Is the agency prepared to work collaboratively with industry and airport stakeholders as you analyze the opportunities and challenges of this new technology?

Mr. GRIZZLE. Yes, very much so. Not only are we willing to work collaboratively, but we really have to. This system is a system of collaborative decisionmaking. Whether it is putting in new technology, putting in new roots, or initiating new procedures, we cannot do them without collaboration with industry in the actual development of these innovations. We certainly have to have indus-

try's participation in the development, and consequently, we will have their participation in the utilization of these innovations.

Mr. PETRI. OK, just two more questions. You mentioned in your testimony about your new—the cost-benefit analysis. Are you going to be applying that to FAA towers as well as contract towers, or is that inappropriate? What are you thinking on that?

Mr. GRIZZLE. We will be applying the same cost-benefit analysis to FAA-managed towers. But, we are doing that without any expectation that we will then convert any of those towers to Federal contract towers. We want to apply the best cost information we have to all of the facilities under our responsibility.

Mr. PETRI. Finally, Mr. Costello, I and other members of the committee have been working with stakeholder advisory groups and hopefully people in FAA on sort of bird-dogging and encouraging the forward movement on deploying NextGen. And one area that we have been hearing about is that a number of airports have been training, airlines have been training pilots as to new approach procedures and so on, but the manuals just have not been approved.

And this is not directly air traffic control, but your controllers are, I am sure, being trained as well. And yet, all this money is being used, and it is not being effectively utilized if there is a snag in the system. And I am eager to ask you if you are willing to help work with the airlines and the others who are investing in this new future to actually put it into place in as many places as possible. It saves a lot of fuel and a lot of cost for everyone concerned.

Mr. GRIZZLE. Chairman Petri, you have identified an extremely critical issue, and one that we are very focused on right now. I think what you are referencing is that we have a set of procedures that is called the controllers handbook, which very much governs the interplay between controllers and airspace users.

That document is essentially 50 years old. We are in the process now, at the urging and with the participation of the airlines—and, obviously, with our controllers—of beginning to update that document so that it will support the way we currently do air traffic control, and especially the way we will do it in the future. It has been an impediment, we are aware of that, and we are fixing it.

Mr. PETRI. Do you have a timeline on that, or are you trying to update at particular airports, or overall, or exactly how is that—

Mr. GRIZZLE. It has overall applicability to the entire system. We are focused on those provisions of the controller handbook that have historically produced the most waiver requests from the individual facilities which we consequently granted; i.e., they are provisions that could stand to be changed. We are focusing on those first, and we are intending to have all of those changed within 3 years.

Mr. PETRI. Mr. Costello.

Mr. COSTELLO. Mr. Chairman, thank you. To follow up on the chairman's comments, we had a meeting just yesterday in the chairman's office with some of the stakeholders. And we were told that at one particular airport the handbook wasn't even available for the controller. I know that staff is—there is a meeting that will take place this coming Friday at the staff level, and then we intend to follow up with some questions for the agency, where Chairman

Petri and I will be present to talk about those things, and to try and lay out a plan.

Mr. Grizzle, there is a difference between reporting safety incidents at FAA-staffed towers versus the contract towers, particularly with the use of the voluntary, nonpunitive reporting system that is in place at the FAA. I wonder if you might elaborate on the differences between the reporting system used at FAA-staffed towers versus the contract towers.

Mr. GRIZZLE. Certainly, sir. We currently have a voluntary reporting system that goes by the acronym ATSAP which has two principal features to it that make it very effective. One is that it is voluntary. Therefore, it eliminates some of the stigma that would ordinarily be associated with an error. Secondly, it provides for a nonpunitive feature, so that when a controller reports appropriately under ATSAP, that controller does not do so with fear that the disclosure that he or she has made will then be used in a punitive fashion. That has resulted in an abundant increase in the quality of information that we have about incidents, and consequently, about the risks which produce those incidents.

We do not have that system in place now at Federal contract towers. We are working with our three contractors, who are, in turn, in negotiations with their unions, because the implementation of an ATSAP program is a multiparty investment. But we expect that all of them will, in fact, implement ATSAP in the Federal contract towers, because it is so important that we have to have it in all of our facilities that are handling traffic.

Mr. COSTELLO. So, as I understand it, the agency is concerned that the incidents at contract towers may not be fully reported today, as they are at FAA-staffed towers, because of the voluntary, nonpunitive program. So does the agency have concerns that incidents that are taking place at contract towers may not be fully reported, as they are at FAA-staffed towers?

Mr. GRIZZLE. As I have testified before, we are unable to differentiate between an increase in incidents, or a greater number of incidents, and an increase in reporting. That applies to our own system, and it certainly applies to the disparity in Federal contract towers.

But, as the IG has reported, since we don't have at staffed—there may very well be a lower level of reporting in the Federal contract towers. And so that is one of the reasons that we need to have that data going into our system.

Mr. COSTELLO. And so the goal is to put one system in place for contract towers and for the FAA-staffed towers?

Mr. GRIZZLE. That is correct, sir.

Mr. COSTELLO. And the negotiations with the three contractors now, how are they going? Is there a deadline to try and implement a system?

Mr. GRIZZLE. There is not a deadline. It is my understanding that the discussions are going well. The principal work to be done is actually between the contractors and the bargaining unit for their employees. The principal negotiation is not between the FAA and the contractors. But we have told the contractors that this is very important, and it will become a contract requirement.

Mr. COSTELLO. Can you go beyond the contractors that it is very important, and put it in as a part of the contract that you are awarding to a contractor to provide the services?

Mr. GRIZZLE. We will come to that, sir.

Mr. COSTELLO. And how soon will you come to that?

Mr. GRIZZLE. I do not have an answer for you.

Mr. COSTELLO. The contracts that are let to the three primary contractors, how often are they let? Is it an open-ended contract, or do they have specific terms when they expire?

Mr. GRIZZLE. They have terms, but I do not recall the expiration date of the current set of contracts.

Mr. COSTELLO. And the reason I ask the question is if you are going to modify an existing contract, or if you are going to put additional requirements in a contract, can you do that now, or do you have to wait until it terminates?

Mr. GRIZZLE. I would need to review the contract to give you a confident answer.

Mr. COSTELLO. Well, I would ask that you would do that and get back to us.

Mr. GRIZZLE. We will do that, sir.

Mr. COSTELLO. Thank you. Mr. Scovel, in your testimony you indicate that additional oversight could help ensure accurate and comprehensive reporting of safety incidents at contract towers. Would you elaborate on that statement?

Mr. SCOVEL. Thank you, Mr. Costello. Yes, we believe that increased and more comprehensive reporting would shed more light on the safety aspects of contract towers. We have noted that, while ATSAP was in place for FAA control towers for several years now, it was not made part of the current contract, which was initiated in 2010 and will expire in September 2014, sir. It certainly would have been appropriate at that time to build it into the current set of contracts, because the Congress and my office have long been supporters of voluntary safety disclosure reporting programs, both for air carriers and in the air traffic control world.

I fully concur with Mr. Grizzle when he says that ATSAP data should be reviewed, and we trust that the data will ultimately provide a strong boost to the visibility that we have into the operational error world. Currently we don't have that at contract towers.

I would note also that as we have testified before the House and the Senate in the past, not only the advent of ATSAP, but also the initiation of automated traffic analysis and review programs to catch all those errors automatically have been a significant impetus to better reporting and better safety analysis. We also don't have that in the tower world, either.

Mr. COSTELLO. And you have recommended to the FAA that they incorporate those provisions in the contract?

Mr. SCOVEL. It is part of our testimony today. And our testimony today, sir, as you know, is based on an ongoing review we are doing for the House Appropriations Committee. That will be one of our recommendations; ATSAP should be included for contract towers.

Mr. COSTELLO. Has your—has the IG's office recommended that in the past? Have you brought this up to the FAA prior to them letting the last contract in 2010?

Mr. SCOVEL. I don't believe we did. Our most recent review prior to the one now underway was finished in 2003. So I doubt that we had picked up on ATSAP and had had a chance to evaluate the merits of that program.

Mr. COSTELLO. And the reason that I am directing this line of questioning is that, you know, we ought to be on the same system here with FAA-staffed towers and contract towers. We shouldn't have apples and oranges here when we are reporting safety incidents. We ought to have the same system in place. And I would encourage you, Mr. Grizzle, to go back, take a look at when the contracts expire, if you have the ability in existing contracts to modify those contracts, and report back to the committee.

With that, Mr. Chairman, I thank—

Mr. GRIZZLE. We will do that, sir.

Mr. PETRI. Thank you. Mr. Lankford.

Mr. LANKFORD. Thank you. Mr. Scovel, I want to pick up right there on that same line of questioning.

Is it your perception—because I know you mentioned earlier there is a lower error rate in the contract towers—is it your perception that it is just a statistical anomaly that the reporting is different there, so it is not an apples-to-apples comparison? Or is it your thought that there is an actual lower error rate in the contract towers?

Mr. SCOVEL. We don't know. What we need is better data. Obviously, that will drive our conclusions. Page 3 of the statement that we submitted to the committee for today's hearing has a table in it that notes both the absolute number of safety incidents, and the rate per 1 million operations, contrasting contract towers with FAA towers. And it appears, from the data in that table, sir, that contract towers may be safer, to use that term.

I would not advance that conclusion, based on the data, primarily because what we have learned in looking at the enroute world and at the TRACON world, is that once ATSAP is in place, and once automated traffic analysis and reporting programs are in place, too, the number of reported operational errors increases. Whether that is simply better reporting or more errors being committed, we don't know. FAA does not yet have a solid base line on which to make that judgement. But we are going to get there. We can't get there right now in the tower world, because, at least when it comes to contract towers, we don't even have ATSAP in place.

Mr. LANKFORD. A million and a half dollars cheaper to do a contract tower. Right now we don't know on safety issue. It looks like there is a lower error rate. We will have to see if that is just a statistical anomaly, based on the reporting side of it at this point. Are there other areas that we have talked about, or that you have discovered—Mr. Grizzle also mentioned this, as well—are things that FAA can learn from the functioning of the contract towers? Whether it be staffing, functionality, operation, whatever it may be, what can be learned in the other direction, as well?

Mr. SCOVEL. Safety, we would conclude, is comparable between the two types of towers. When it comes to cost, there is, as our statement notes, almost a \$1.5 million cost difference between contract and FAA towers. The primary drivers of that are the staffing levels and the pay that contract controllers get. The staffing levels

are determined for contractors by virtue of their staffing plan that they submit to the agency for approval and if those staffing plans can be structured so as to avoid some of the cost drivers that may apply in the FAA world. For instance, the requirement that controllers not spend longer than 2 hours on position, the requirement that—or the practice that managers and supervisors not be used in an FAA tower to control traffic. They can be used in a contract tower to control traffic. Benefits for an FAA controller may be more generous, in terms of annual and medical leave, than they are in the contract world, too. And so that permits contract controllers to stay on the job perhaps a little bit longer. Those are the kinds of things that permit the contract towers to have lower staffing levels.

Mr. LANKFORD. Ideas on efficiency. Can they move the other direction, or do you think structurally it is not possible for them to move the other direction? Can ideas move from contract towers to FAA towers to say this is working, they are at a correct level, their error rates, all the safety issues—or do you think there is a structural issue there to say, really, there is no way for ideas to move that direction?

Mr. SCOVEL. I do want to say there is a way for good ideas to move where properly motivated people are involved. I will note that there are factors that must be considered—collective bargaining agreements and so forth, different traffic densities, FAA's training requirements for their controllers, and the requirement for on-the-job training that some of their controllers must engage in. All of that drives FAA's staffing levels, and we acknowledge the validity of those concerns.

Mr. LANKFORD. Right. Inherently there are different types of towers, different quantity of takeoffs and landings. I understand that.

Mr. SCOVEL. Right.

Mr. LANKFORD. There are some inherent differences. But if there are some areas that we can go the other direction, process wise, how would that occur? Who would carry the water to say, "Let's look seriously at this, and try to figure out how to do that"?

Mr. SCOVEL. Right.

Mr. LANKFORD. Is there is a certain office that you would know of that would make that evaluation to say, "This is efficient." How do we get some of these efficiencies over here?

Mr. SCOVEL. I would defer to Mr. Grizzle on that. I know that within the Air Traffic Organization he has resources whose mission it is to make those comparisons and recommendations.

Mr. LANKFORD. OK. Mr. Grizzle, my time has expired. Would the chairman allow me an additional 30 seconds for Mr. Grizzle to respond?

Mr. GRIZZLE. It is my responsibility to glean efficiencies from whatever source, including Federal contract towers.

I will say that the opportunity for more efficient air traffic management in our larger facilities absolutely dwarfs our ability to move Federal contract tower practices into our comparably sized facilities. But, we are looking at all of them, because there is an opportunity.

Mr. LANKFORD. OK, thank you. With that I yield back.

Mr. PETRI. Mr. Rahall.

Mr. RAHALL. Thank you, Mr. Chairman. At the expense of beating a dead horse, Mr. Scovel, let me ask you. When comparing error rates between contract towers and FAA towers, you refer to reported—reported, that is the key word—errors. Would you agree that there is a difference between the reported errors and actual errors that occur, particularly given that FAA's reporting program does not apply in contract towers?

I mean I have one contract tower in the district I represent, Lewisburg, West Virginia. With the exception of some higher income people flying in to go to the Greenbrier, there is not many—not much activity at that airport.

Mr. SCOVEL. There may be a difference. We don't know. I do have to couch the information that we have presented to the committee in terms of an inference that I can make, based on the experience of my office in looking at trends in operational errors as reported in the enroute and TRACON worlds. When automated programs were put in place, and when ATSAP came online, operational error numbers increased. And we have focused on that. We are trying to determine, as is FAA, whether it is an increase in reported numbers, or an increase in errors committed? We don't know, because there is not a good baseline.

With time, we will get to that baseline, and then we will be able to determine an answer. In the tower world, sir, we don't have that yet, either. ATSAP is fairly new at the FAA towers, and it is not even in place at contract towers. So I can't say.

Mr. RAHALL. What is the basis for your recommendation in your written testimony, where you state that adoption of voluntary safety reporting program among contract towers would improve FAA safety oversight of those facilities?

Mr. SCOVEL. We agree with FAA, and we have reached the conclusion independently that the nonpunitive nature of ATSAP, as it is in the air carrier safety action program, is a strong inducement to better reporting. We would strongly recommend to FAA that this be included for contract towers, if not by modifying the contract, then certainly when contracts come up for renewal in 2014.

Mr. RAHALL. OK. Mr. Grizzle, I know you have been asked this question before, but it is in regard to your testimony back in April, when you stated that you are confident that the reporting of incidents has increased, thanks to the FAA's new safety reporting program for air traffic controllers.

My followup would be what is the FAA doing to ensure that contract towers adopt a voluntary reporting requirement or program?

Mr. GRIZZLE. We are going to utilize the contractual opportunities that we have. If we have the ability in our current contract to require one, we will do so. Otherwise, when we come to a contractual renewal, we will require that our contractors effectuate an ATSAP program because, as the inspector general has said, it has unquestioned value in terms of providing us a greater amount of data about events that occur.

Mr. RAHALL. OK, thank you. Thank you, Mr. Chairman.

Mr. PETRI. Mr. Ribble.

Mr. RIBBLE. Well, good morning, everybody. Thank you for your testimony today. I have got just a couple brief questions.

But I would like to say one thing. I would like to commend you. I would like to commend the U.S. airline industry and the National Transportation Safety Board. I get on an airplane every single week. And you know what? I never think about safety. I just get on the airplane, and I usually work, and I land, and I go home, and I turn around a few days later, and do it again. And that is a real testament to what has been going on in this country and how safe air travel has become.

With all that said, as I look through Mr. Scovel's testimony, I just want to read just the headlines, or the titles of the various sections. Contract towers continue to provide safe services and are supported by users. Contract towers have a lower number of reported safety incidents and deficiencies than comparable FAA towers. Users are satisfied with the level and quality of services provided by contract towers. Contract towers continue to provide cost-efficient services. FAA oversight of the Contract Power Program could be improved. Accurate incident reporting at contract towers is critical to maintaining safety. New oversight system does not ensure that contract towers receive regular safety evaluations required by Congress. FAA can improve its contractual oversight of the program.

As I look and read those titles and then listen to the testimony, it almost seems as if the inspector general is more critical of FAA than contract tower operations. Why do you suppose that is, Mr. Grizzle?

Mr. GRIZZLE. We rely very heavily upon the insights of the inspector general. Whenever the inspector general observes deficiencies in our operation, we immediately discern how we can make improvements that will address the deficiencies that he has noted, because that organization has, in every case, spent a lot of time looking very carefully at each situation.

I think that the inspector general makes those comments because they entirely conform with what he has observed, and we intend to take those observations extremely seriously.

Mr. RIBBLE. Well, I appreciate that. I most often fly out of Appleton, Wisconsin, which, as you are aware, is a contract tower. And I know how important that airport is to the economic development of northeast Wisconsin. It is critically important. And I just want to make sure that you are going to provide us some type of assurance that you are willing to work with the industry in a balanced approach to ensure that safety continues to happen, economic development continues to happen, and that the FAA doesn't unfairly just shift additional cost to the operation of that tower onto Appleton and other communities like it.

Mr. GRIZZLE. We believe that each of our Federal contract towers provides an extremely safe operation. We are committed to maintaining that, and we are working to develop an ever more accurate cost accounting system to accomplish the other purpose that you requested of us.

Mr. RIBBLE. Well, I want to thank you for that. And again, I want to thank you for taking the time to come in here today. And I don't want to lose sight of the fact that even though there was criticism here, and criticism this morning, that I don't recognize

how great a job the U.S. air industry, in its totality, is actually doing. So, thank you for that work.

And with that, Mr. Chairman, I yield back.

Mr. PETRI. Thank you. Mr. Hultgren.

Mr. HULTGREN. Thank you, Mr. Chairman. Thank you all for being here. I just have a few questions, as well. First, to Ms. Oettinger. I am wondering. Will the FAA commit today to work collaboratively with industry and airport stakeholders to reach consensus on any revisions to the benefit cost analysis for contract towers?

Ms. OETTINGER. Absolutely. We have committed to doing that, and we are, in fact, in the process of doing just that. We most recently met with the Contract Tower Association a couple of months ago to share with them the latest information that we had, and the analysis that we are doing. We are awaiting some feedback from them, and we have plans to meet with them again later this month.

Mr. HULTGREN. I wonder if I can ask you, and also Mr. Grizzle, if you could please talk about any effects that sequestration could have on the national air service, and what steps the FAA is taking to plan for these cuts. And also on that, I just wanted to see if you have begun communicating this plan in a coordinated action with our Nation's air traffic controllers.

Mr. GRIZZLE. Although we have received no specific direction as to the impact of a sequestration on the FAA, we have done a great deal of internal planning, looking at different scenarios and how we would be required to shift our priorities in the event that different sequestration scenarios came into place.

We have not begun sharing those with anyone yet, because we are not far enough along in designing those priorities. But suffice it to say that it would require a significant reprioritization of what we currently do.

Mr. HULTGREN. Is it your sense that there will be a big impact with sequestration, or is that uncertain right now?

Mr. GRIZZLE. It could be. The answer is that we do not know, but it could be large.

Mr. HULTGREN. When will you know?

Mr. GRIZZLE. We are in communication with various parts of the Administration. Our perceptions are developing as we are in these communications.

Mr. HULTGREN. Well, you know, I echo what my colleague from Wisconsin, Mr. Ribble, said. I am so grateful for the safety that we enjoy, and the confidence of getting on an airplane. But I think this is very important. And we haven't gotten a real sense from the Administration of what is the plan with sequestration. We see it impact the Department of Defense. But it very well, I think, could impact the safety of our skies.

And so, we are asking you to reach out as well to the Administration to clarify this, of what is the intention here. We better get these plans in place now, I believe. Am I wrong? Tell me, you know, what your thoughts are. If there is any question that this could have an impact, we better know about that now and start making those plans, and I think start communicating with our air traffic controllers on what those plans are.

Mr. GRIZZLE. We are committed to maintaining the highest level of safety. We will not undertake any change that would diminish that.

Mr. HULTGREN. Well, I appreciate that. I just—my fear is with sequestration. It is a meat ax approach, basically, of—that could address and impact many departments. And it is just very unclear of what the Administration and the White House's plan is to deal with this.

So, I would just ask for your help together to get some clarity here, get communicating for the sake of continuing that safety that we enjoy, that we really expect and I think have a right to expect to continue.

So, just as my time is winding down, I just—getting back to contract towers, just wonder if each of you could just briefly touch on if you feel like if contract towers—is there any lack of redundancies resulting in safety issues in contract towers, or do they have any inferior equipment or facilities, or do you see, in your opinion, that contract towers have deficient training programs? What is your sense on those three issues? And I would ask each of you to comment quickly.

Mr. GRIZZLE. We believe that the staffing, equipping, and the condition of the facilities in the contract towers are adequate for a very high level of safety, and we constantly monitor all of those.

Mr. SCOVEL. Sir, we believe staffing and training are sufficient. The agency gives close attention to those measures. We know that the agency is stressed, at all air traffic facilities, when it comes to aging facilities and making sure that they are maintained in the best condition possible. Contract towers are no exception. The FAA's own facilities would also fall into that group.

Mr. HULTGREN. Well, thank you. My time has expired. I do appreciate it. I do think is an important issue that we are going to have to continue to talk about, and get some real answers as far as sequestration and potential impact on safety of our skies. We can't—as you have said, we can't allow any compromise in this, and we have got to make sure we work together to get some real answers of how this is going to impact.

Thank you. I yield back.

Mr. PETRI. Thank you. Mr. Costello, you had a comment.

Mr. COSTELLO. Mr. Chairman, thank you. I want to follow up on my friend from Illinois, his comments about sequestration and what may happen to the FAA in this particular case.

While you may not have a plan in place, you do have a dollar figure. You know that when sequestration, if in fact it goes forward, you know how much money will be cut out of the agency. We had testimony either earlier this year, but I know that we had the former administrator, Marion Blakey, who testified before this subcommittee about NextGen, and what effect sequestration would have on NextGen. In fact, we had a meeting, as I referred to, yesterday, with some stakeholders in Chairman Petri's office. And the issue of sequestration was brought up again on how it would affect NextGen.

Do you have a dollar figure, that if sequestration is—if, in fact, it takes place, how much money the agency would lose under sequestration?

Mr. GRIZZLE. We have looked at various scenarios, we have done planning for a number that is larger than what we think is likely, and we have done planning for smaller numbers. I am not prepared to offer a number that is my prediction as to what would be the exact number.

Mr. COSTELLO. Well, the figure that I have heard used is—on the bottom figure is \$1 billion.

Mr. GRIZZLE. We have done internal planning involving cuts that were smaller than that, and cuts that would be larger than that.

Mr. COSTELLO. Would—is it reasonable for one to assume that if there is a \$1 billion cut to the FAA, that it would impact safety? If the delay of implementing NextGen—if it is pushed off for several years, NextGen is, of course—one of the assets of NextGen will be to improve safety.

Mr. GRIZZLE. It will be our challenge to effect a—

Mr. COSTELLO. In other words, you are not going to answer the question.

Mr. GRIZZLE [continuing]. A cut of that magnitude safely.

Mr. COSTELLO. Thank you, Mr. Chairman.

Mr. PETRI. Mr. Southerland.

Mr. SOUTHERLAND. Thank you, Mr. Chairman. Thank you for holding this hearing.

On that line of questioning from my good friend, if you were going to face \$1 billion in cuts due to sequestration—and I hear your hesitancy about confirming that—I don't think it is an unfair question to assume that if we then were going to turn around and cut DOD by \$350 billion, that that too might have a very similar cause regarding safety to our war fighters and to the protection of this great Nation. So I mean, if we are going to use that rationale, then I think we need to examine, you know, all of the possibilities of sequestration.

First of all, thank you all for being here. That was just a statement. I wanted—I am curious about the—Mr. Scovel, you had mentioned that today you were not here prepared to advance the theory that contract towers are safer. However, you—let me ask you a couple of questions. You know, you—are you of the opinion that the—are the contract towers—do they have equal equipment, equal facilities?

Because I have heard general comments by both of you that said that we have aging towers, and that—so is it safe, then, to say that the towers that—the contract towers are equivalent in quality and—in the quality and the excellence of the equipment? Is that fair?

Mr. SCOVEL. Yes, generally. They are comparable. They are comparable, in terms of safety, as well. And my point with regard to the safety data was simply if you were to look at the data presented in our statement, you might conclude that contract towers are safer. I attached a caveat to that because, based on our prior experience, we know that operational errors—and thanks to FAA's good work on the runway incursion side, as well—we know that those come up with better training and reporting methods. So that is the caveat that I would issue there.

I will also note, sir, that FAA is responsible, in most cases, for the equipment and maintenance of that equipment at contract towers.

Mr. SOUTHERLAND. As far as the towers—as far as the staffing of the towers, are they equivalently staffed? And I am talking about the contract towers to the FAA towers. I mean would they be—and I know the volume is different, obviously. But based on the volume, are they staffed properly, as compared to the FAA towers?

Mr. SCOVEL. We believe they are. And we believe that FAA towers, given the structure in which they must operate and their staffing requirements, are properly staffed.

However, for contract towers, they are free of some of the restrictions that apply to FAA towers. And contractors have taken advantage of that by preparing their staffing plans accordingly. And the FAA has approved them after appropriate review.

Mr. SOUTHERLAND. Define for me a restriction.

Mr. SCOVEL. For instance, a restriction in an FAA tower is that, by virtue of the collective bargaining agreement, a controller may not spend longer than 2 hours on position, on scope, before he or she takes a break or moves to another place. In other words, gets off that place and maybe gets out of that rut. That is not a requirement in the contract tower world.

Mr. SOUTHERLAND. So in that requirement that they be—that 2-hour requirement, they will be there for 2 hours and then they will leave and do whatever. So their focus might be interrupted because they have to leave in 2 hours.

Mr. SCOVEL. Or, as some controllers would say, their focus can be renewed.

Mr. SOUTHERLAND. Right. But we all know that great running backs run better when they get the ball 25 times a game, as opposed to 5.

Mr. SCOVEL. Right.

Mr. SOUTHERLAND. So there is a belief that you get in a zone that you are so good, you are so proficient, you are so excellent that you are left alone because of the restrictions of, in your words, collective bargaining. And A players do what they were created to do by God. They are excellent at what they do. So when they have the law of momentum providing safety, providing efficiencies, to yank them out of that, I could make an argument that those that I have employed do best when I leave them alone and don't micromanage them and restrict them as compared to maybe some of the contract towers, where those same restrictions do not apply. Is that a fair assessment?

Mr. SCOVEL. Sir——

Mr. SOUTHERLAND. Based on self-evident truths?

[Laughter.]

Mr. SCOVEL. As an inspector general, I am sworn not to indulge in self-evident truths, sir.

Mr. SOUTHERLAND. Yes, yes.

Mr. SCOVEL. I must have data.

Mr. SOUTHERLAND. I am amazed at how this place up here continues to disregard common sense.

Mr. SCOVEL. I know.

Mr. SOUTHERLAND. As if we know better, or know more than our founding fathers.

But—well, thank you very much. I know I am over my time. Thank you both, all three, for testifying here today. I yield back.

Mr. PETRI. Thank you. Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman. I too would like to thank the panel for being here. Most of my questions have already been answered.

But, Mr. Grizzle, does the FAA approve staffing plans for each contract tower?

Mr. GRIZZLE. Yes, we do.

Mr. LOBIONDO. And do you think or believe that contract towers are understaffed?

Mr. GRIZZLE. I do not believe they are understaffed.

Mr. LOBIONDO. OK. And are there plans to have contract tower controllers participate in the FAA's voluntary reporting program?

Mr. GRIZZLE. Yes, there are.

Mr. LOBIONDO. When might that happen?

Mr. GRIZZLE. Well, as we discussed earlier, we need to inject some deadlines into our contract structure with our contractors, which we have not done, but we will do.

Mr. LOBIONDO. OK. Thank you. Thank you, Mr. Chairman.

Mr. PETRI. Thank you. Mr. Long, did you have any questions, or—very good.

Well, we would like to thank the panel for your testimony. And I note, Mr. Grizzle, you will be submitting some information—

Mr. GRIZZLE. Yes.

Mr. PETRI [continuing]. In response to Mr. Costello's questions. And we will now turn to the second panel. Thank you very much.

Mr. SCOVEL. Mr. Petri, if I may take simply 15 seconds. We have had a lot of talk earlier this morning, and some of it by me, concerning the ATSAP program. We are strong endorsers of ATSAP. However, I would be remiss if I did not note that we will be issuing a report, hopefully by the end of this week, addressing the merits of ATSAP and areas where we believe the agency has strong opportunities for significant improvement.

ATSAP is not yet a silver bullet. It is a step in a long series of steps to get us to better safety. FAA should be commended for embarking on the trail. And hopefully, our recommendations, which the Congress and the agency will receive this week, will advance that effort. Thanks.

Mr. PETRI. Thank you for that update. And thank you all.

The second panel is assembling. And I would like to ask our colleague, Mr. Lankford, to introduce the first person on the panel who will testify, Mr. Strong.

Mr. LANKFORD. Yes. Pleased to do that, Mr. Chairman. Walter Strong is the chairman of the United States Contract Tower Association Policy Board. And so, obviously, he brings a tremendous amount of expertise as far as interaction with his colleagues about contract towers. He also is extremely important in contract towers in Oklahoma. The Norman airport, Max Westheimer Airport in Norman, Oklahoma, is a contract tower location, and is vital to both the University of Oklahoma, and to a lot of business in the southern part of Oklahoma City and in the southern part of Okla-

homa, itself. So, honored that he is here, and has given his time to be able to be a part of this, as well.

Mr. PETRI. Thank you. And Mr. Strong will be joined by Ms. Trish Gilbert, who is the executive vice president of the National Air Traffic Controllers Association, Ms. Melissa Rudinger, the senior vice president of government affairs, Aircraft Owners and Pilots Association.

And we thank you all for the effort that went into preparing your testimony. We invite you to summarize it in about 5 minutes. And we will follow that with questions, and begin with Mr. Strong.

TESTIMONY OF WALTER B. STRONG, JR., A.A.E., CHAIR, POLICY BOARD, UNITED STATES CONTRACT TOWER ASSOCIATION, AN AFFILIATED ORGANIZATION OF THE AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES; PATRICIA GILBERT, EXECUTIVE VICE PRESIDENT, NATIONAL AIR TRAFFIC CONTROLLERS ASSOCIATION; AND MELISSA K. RUDINGER, SENIOR VICE PRESIDENT OF GOVERNMENT AFFAIRS, AIRCRAFT OWNERS AND PILOTS ASSOCIATION

Mr. STRONG. Thank you, Mr. Chairman and Mr. Costello, and members of the subcommittee. Thank you for inviting me to discuss FAA's Contract Tower Program. I would also like to thank Mr. Lankford for that kind introduction.

Our partnership with the FAA program on this program is exemplified by our mission statement, the government-industry partnership dedicated to air traffic safety. And in today's challenging economic environment, I might also add the partnership dedicated to jobs and economic growth.

Before we offer our thoughts on the many benefits of the program, I would like to raise a flag of caution about one current issue, that issue being the airport community's concern about potential changes to FAA's cost-benefit analysis, which determines participation in the program.

While we are encouraged by FAA's stated desire to work with the industry in a collaborative, balanced, and transparent manner, we hope FAA stays on that path to avoid changes to the program that would jeopardize air traffic safety, economic growth, and jobs. FAA should ensure that the process full accounts for the broad array of significant benefits that the program provides to individual communities, to the Nation as a whole.

This program should not simply be about black and white numbers. It must be about the best interests of advancing aviation safety. Additionally, these potential changes could result in FAA shifting costs to local communities that have little, if any, ability to absorb additional costs in these challenging economic times. The end result could be the closure of many contract towers, nationwide.

As do most airports in the program, Westheimer Airport in Norman, we support our tower operations with local funds for utility cost, equipment costs, both installation, maintenance, and repair. So even though the FAA pays for the cost to staff the tower, we provide significant local funding in partnership with the FAA to provide first-class air traffic services to our aviation community.

Mr. Chairman, FAA's Contract Power Program has a proven successful track record. Benefits include enhanced safety, improved air

traffic services, significant cost savings to FAA and taxpayers, economic growth and job creation. The DOT inspector general has repeatedly validated those facts, and the program enjoys strong bipartisan support in Congress.

All contract controllers are FAA-certified and meet the same training standards as FAA controllers. Additionally, FAA controls and oversees all aspects of the program, including operating procedures and staffing plans.

I recently read the National Transportation Safety Board had added general aviation safety to its most wanted list of transportation safety improvements. In a national air transportation system that needs to stay vigilant to reduce accident rates, we believe that the safety benefits provided by the program are not optional, but mandatory.

Let me be clear. Without this program, hundreds of communities across our Nation would not receive the critical safety benefits that these controllers provide.

To illustrate cost-effectiveness of the program to taxpayers, FAA contract towers in fiscal year 2011, handled approximately 28 percent of all tower operations, but accounted for just 14 percent of FAA's overall tower budget. Now, that is a good deal for taxpayers. Also, of the 250 towers in the program, 136 were previously FAA-staffed low-activity towers that were converted to the contract operations in the 1990s. Based on anticipated cost information from the DOT IG, if FAA were still staffing those 136 towers, the additional annual cost to taxpayers would be approximately \$200 million, which is \$50 million more than the current budget to operate all 250 towers.

Also, many contract towers are represented by the National Air Traffic Controllers Association. The U.S. Contract Tower Association continues to have an open dialogue with NATCA, and cooperates on ways to work together effectively as part of a unified national air traffic control system. There is a clear role for both FAA and contract towers.

In closing, airports deserve the safety and economic development benefits the FAA contract towers provide. We are encouraged by the highly effective partnership that airports, contract controllers, ATC contractors, and FAA have developed, and we urge Congress to continue its support of this critical program.

Thank you very much for your time, and I would be happy to answer any questions at this time.

Mr. PETRI. Well, thank you. Ms. Gilbert.

Ms. GILBERT. Chairman Petri, Ranking Member Costello, members of the subcommittee, thank you very much for allowing me to testify today. NATCA is in a very unique position to offer an objective assessment of the Federal Contract Tower Program, and to evaluate the difference between FAA and contract towers, because we represent controllers that work in both.

NATCA proudly represents air traffic controllers at 63 contract towers, as well as controllers in the FAA and in some DOD facilities. As a controller myself, I can tell you that our priority is simple. And, regardless of employer, and regardless of the challenges we face, our job every day is to ensure the safety of the flying pub-

lic, and continue to operate the world's best air traffic control system.

With that, NATCA does support the cost share component of the Federal Contract Tower Program. We believe it enables local communities that couldn't otherwise support a tower to reap the economic benefits aviation brings to them. NATCA also supports building new towers where ones do not currently exist. But we are opposed to the transfer or conversion of FAA towers into the Federal Contract Tower Program.

First and foremost, it is NATCA's position that there is a fundamental flaw in comparing contract towers to FAA towers, in terms of safety, as defined by the number of incidents reported. The flaw derives from the fact that safety incidents, which include operational errors, deviations, and runway incursions, are unevenly reported. The GAO noted in 2003 that "comparisons of operational error rates alone are not sufficient to draw conclusions about the relative safety records of air traffic control facilities." NATCA believes that a comparison of this type does the program a disservice, because safety at contract towers and FAA towers cannot be accurately compared through safety incident data at this time. That data is incomplete, and the baseline is different.

Additionally, the FAA has moved to a true safety culture, where all controllers and employees are encouraged to report every safety issue, including errors. Contract towers are often driven by a punitive culture that discourages this reporting.

As far as comparing costs, the FAA model was built on the premise of necessary redundancy to prioritize safety above all, whereas contract towers have incentive to prioritize to the bottom line. NATCA is not criticizing the fact that profit margins matter and are a factor. But our review of contract towers finds them to be understaffed with less support of their facilities and equipment, and also insufficient training for their controllers. These factors contribute to the contract tower's bottom line when it comes to cost.

Staffing amounts to the bulk of the operating cost in these facilities. This motivates contractors to reduce staff in order to lower costs when competing for a contract. That said, the contract towers can lack necessary redundancy, especially when it comes to staffing. The FAA requires two controllers on shift, while contract towers are not bound by that, and frequently staff with only one controller for extended links of time.

In terms of equipment, some towers still use radios that are so old they cannot accommodate a headset, and controllers must use the hand-held devices to communicate. This can be problematic in a profession where clear two-way communication is key to safety. Additionally, due to cost sharing arrangement between the tower, the sponsor, and the FAA, all three entities often disagree on who is responsible for the cost to maintain and/or repair facilities and equipment.

The temporary tower at Opa-locka, Florida, in southern Florida, is a prime example of the funding battle that results in unsafe working situations for controllers. Six years ago the old tower failed county fire suppression requirements and was deemed unsafe to occupy. When both the FAA and the county refused to correct the problem, the FAA provided a temporary tower located on

a closed runway in an old RV on top of eight large shipping containers. It still remains in that facility, 6 years later. Such a facility would not have been tolerated, had it been staffed by FAA personnel. It is only due to the exceptional dedication and skill of the controllers at Opa-locka that the facility has been able to provide the services that they do.

Finally, NATCA believes that the 30-day training period that contract towers provide is insufficient, regardless of the controllers' experience. FAA towers are trained under a much more specialized training program that includes training teams, on-the-job training, classroom instruction, and simulations.

NATCA made five recommendations in our written testimony. We believe that implementing these recommendations will shift contract towers toward a true safety-based model. We recognize that implementation of these recommendations would come at a financial cost. But we believe the benefits far outweigh the cost savings contract towers currently have, when you compare them to the cost of FAA towers.

Thank you for allowing me to be here today, and I will take any questions when appropriate. Thank you.

Mr. PETRI. Thank you. Ms. Rudinger.

Ms. RUDINGER. Chairman Petri, Ranking Member Costello, and members of the committee, good morning. My name is Melissa Rudinger, and I am with the Aircraft Owners and Pilots Association. I appreciate the opportunity to be here today to testify and give the user's perspective and the aircraft owner's perspective on contract control towers.

The Contract Control Tower Program has provided cost-effective and essential air traffic services to general aviation airports since 1982. Of the 250 contract towers in the program, 89 serve general aviation airports exclusively. Your continued support of this critical program is important to aviation safety, economic development, and efficiency at airports and communities in this great Nation.

My testimony today addresses three overarching points: first, contract towers enhance safety; second, contract towers are cost-effective; and third, contract towers help local economies.

The Contract Power Program greatly enhances safety by providing vital air traffic service to communities that would not otherwise qualify for a federally funded tower. They enhance the safety of flight for all aircraft operating at an airport and in the surrounding airspace. For example, at a towered airport, all aircraft are required to establish and maintain two-way radio communication with the tower, unlike nontowered airports.

Controllers also bring situational awareness and ensure the safe, efficient, and orderly flow of traffic. Additionally, airspace around airports with towers have higher weather minimums, which greatly increases the safety margin for all operators.

As others have testified here, contract towers have consistently achieved good scores in every metric that you can measure a contract tower on. They are critical to the safety of local communities, such as Brown Field in San Diego, Palm Coast in Ormond Beach in Florida, and of course, Wittman Field in Oshkosh. All serve a very important role in enhancing safety at airports with robust general aviation activity.

Other contract towers, like Martin State, here in our local area, provide a significant safety enhancement for a broad mix of operations. This includes intensive flight training and support of the 175th Wing of the Maryland Air National Guard.

As far as costs are concerned, the FAA Contract Tower Program is one of the most cost-effective government-industry partnerships in the history of the agency. Virtually every performance metric of the program has a proven track record of sustained cost savings, efficiency gains, and economic value to local communities.

In 2011, the 246 towers then in the program handled 28 percent of all tower operations, but only accounted for about 14 percent of the FAA's tower budget. In contrast, the 264 FAA-staffed towers that handled the remaining 72 percent of operations used 86 percent of the FAA's tower budget. Looking at it another way, the cost of operating a contract tower is roughly one-third the cost of operating an FAA-staffed tower. These numbers clearly highlight that the Contract Tower Program is of great value to the American taxpayer.

Numerous studies have also shown that airports are economic engines for communities. And we also know that the establishment of an air traffic control tower drives even greater economic development through the creation of jobs, the growth of airport businesses, and other benefits. This was validated in a 2011 study by an independent contractor for the Commonwealth of Virginia.

This study showed that each dollar spent by an aviation business or an aviation-related business generated \$1.52 in economic activity. It also showed that airport jobs are desirable, and the average wage of a job at a Virginia airport was 40 percent higher than the average Virginia salary. For every job at a Virginia airport, nearly three are created in its visitor-related economy. And aviation-related businesses and employees annually contribute \$105 million to the local tax base.

The study also indicated that construction projects like airport control towers are beneficial because dollars spent by the State and local governments are leveraged with Federal and private funds. This multiplier effect results in generating an additional \$2 in economic activity for each dollar spent.

In conclusion, I would like to say that the FAA's Contract Power Program has a proven track record of providing cost-effective and essential air traffic safety services to general aviation airports, and they provide strong support to local economies.

On behalf of the members of AOPA, I thank you for your leadership in examining this important program. This concludes my testimony.

Mr. PETRI. Thank you. Thank you. Thank you all. I do have a few questions.

Mr. Strong, as the previous panel indicated, the FAA is in the process of revising the cost-benefit analysis for contract towers. And from what you know of their plans, do you believe they are considering the right cost and benefit factors? And if not, what would be more adequate or appropriate, in your opinion?

Mr. STRONG. Mr. Chairman, thank you for the question. We have been in consultation with the FAA. As Ms. Oettinger spoke earlier, we were in their offices just 3 or 4 weeks ago.

Some of the items that they intend to include in the cost-benefit analysis we believe are appropriate. Probably our biggest concern is that the world has changed from what we once knew it to be in the world of contract towers, and there are a lot of activities that may not be picked up in their current process. And we want to make sure that all of the benefits, all of the things, all of the items that go on at the airports are actually included.

At Westheimer in Norman, we have a really broad program of what goes on there. The University of Oklahoma has a significant flight training program, where we train pilots that will come into the system and be your pilots on airplanes and commercial service in future years. Those folks generate 200 to 250 flights a week during the semesters. We also have the Governor that flies in and out of our airport. We have a tremendous amount of law enforcement activity at our airport. And we also have the business community that comes and goes.

And, on top of that, when we play football in the fall, on game days there is a tremendous influx of business jet and single engine aircraft activity that comes to the airport.

So we are not certain that the FAA really includes those complexities and all of those things that are included in their cost-benefit analysis. And that is what we really want to work with them on, and make sure that they are including those things. Because we don't want to put any contract tower community in a position to even consider reducing services or closing a tower because they can't afford the shifted costs in their direction.

Mr. PETRI. The—I am sure you are aware—and I don't know if this question is directed for you, or if others would care to respond. But we live in a world—and certainly it is true in aviation—of rapidly changing technology. And I talk often with general aviation pilots, and they show me their things where—we all have Garmins in our car and the satellite—the amount of data you can get as an automobile driver, let alone as an airplane pilot.

And so, the world of air traffic control is—if it is not already—is rapidly about to change, and has for some of general aviation already. People have routes, they have information in the cockpit that enable them to dial in an airport and to get there.

As that world evolves, could you discuss how—the contract towers and general FAA towers, the flight movements aren't constant throughout the day, there—possibility of transferring to TRACON or to regional—and a lot—and they can control flights into airports, there are programs to put sensors of—ground equipment on airports so it will show in the cockpit for the pilot if anything is approaching. There are a lot of things that can be done now that minimize the need for expensive air traffic control for airports that—a lot of airports don't have any towers, anyway.

And could you discuss how the impact of this technology is on both the general FAA and the contract tower situation?

Mr. STRONG. Yes, sir, Mr. Chairman. I might characterize it in the following fashion. I am reminded of a day when I was at the Oshkosh event years ago, back in the 1990s, and I was talking to some FAA folks there. And there was a table in the tent that had NDB and ILS. And over on the end there was one young fellow

that was talking about GPS. And I thought, "I want to talk to him, because that is new technology, and it is coming at us."

And around the year 2000 I asked FAA—we needed an ILS for Westheimer Airport in Norman. And we were told, "You can't have an ILS." "Well, why can't I have an ILS?" "Because you are not on the list." "Well, why aren't we on the list?" "Because we are going to have full implementation of GPS by the year 2000." That was the answer that I got. I would submit to you that we are in the year 2012. And not to be overly critical with the FAA, but you are talking about new technologies that often take a tremendous amount of time to bring on board.

So we did get our ILS. We still don't have full implementation of GPS. We do use a lot of security cameras at our airport. If you are referring to NextGen and coming online, I have heard talk about virtual contract towers, or virtual towers, where you might have a controller in a room looking at video screens that are, you know, feeding camera data from an airport to a video screen, so they can control traffic at more than one tower. I would submit to you that cameras—I don't think, personally, cameras are at that level of confident data. I just don't think it is there.

At night time, the data that you get from a camera is reduced. You won't see a 12-point buck crossing the runway at night with a camera, where a controller with eyeglasses may see that. So while I believe new technology coming at us will make a benefit in the future, I think we are still a long distance off from that. And for the time being, I think we still need to work with the efficiencies that we have in the Contract Tower Program, and even the FAA tower program. I don't think it is time yet to shift to air traffic management from air traffic control.

That is personal opinion. I was a controller for 17 years. I have worked towers and radars and enroute traffic, so I am familiar with the process. And I just don't think we are ready for air traffic management quite yet.

Mr. PETRI. Mr. Costello?

Mr. COSTELLO. Mr. Chairman, thank you. Mr. Strong, one of the issues that I have heard with some of the contract towers—in fact, one in my district—is that the FAA could do a better job of upgrading and maintaining their facilities and equipment. I wonder if you might comment on that. And I would ask the same question of Ms. Gilbert.

Mr. STRONG. Thank you, Mr. Costello. I think we could all do a better job of upgrading our equipment. I know we have—for example, one of the comments earlier was old radios that are not used—you cannot use a headset with a radio. I will admit to you that we have a light gun in our control tower that is probably 30 years old. But it is functional. So do I need to go out and spend \$15,000 or \$20,000 to buy a new light gun, just so I can have a new light gun? I don't think so.

There are times when we do need to be more effective and more efficient in adding new equipment. And the FAA, frankly, has put some new equipment in our control tower, because we are in the greater metropolitan area of Oklahoma City, and we have a reasonable amount of traffic. So they installed a radar system in our contract tower that quite a few contract towers don't have. So we do

have some of those upgrades. But I wouldn't throw out an old radio just because it is old. If it still functions, you can still talk to the pilots, you still get the job done. Does it need to have new bells and whistles? Might be a little bit better, maybe a little more efficient. Is it necessary? Maybe not.

Mr. COSTELLO. Ms. Gilbert?

Ms. GILBERT. I would agree that new doesn't necessarily mean better. Our concern would be where the equipment isn't functioning in a way that allows you to do the job, the very serious job, that air traffic controllers do in both Federal and contract towers. They are often distracted by maintaining equipment. Controllers are having to do it themselves, because there are not onsite technicians in the facilities. Then that distracts them from doing the job that they are there to do, which is the movement of air traffic in and out of the airport.

As you well know, several years ago we didn't have the relationship with the FAA that we do now. So we had a lot of involvement with many Members of Congress on behalf of the contract towers that we represent, to get them appropriate and proper equipment in the facilities. In Georgetown, just on the outskirts of Austin, Texas, we were able to get a DBRITE in that facility to help them move planes in and out of that airport, with the help of Congressman John Carter.

Now, however, we have a relationship with the FAA that allows us to better communicate the needs of those facilities, as well as the FAA facilities, with regard to not necessarily new equipment, but certainly equipment that will enhance safety and equipment that will improve efficiencies. We support that in both facilities.

I would like to also give you one more perspective with regard to the voluntary reporting system that we have in the FAA that we would like to see in the contract towers. With that in place, and the collection of a lot of data, you are able to better prioritize equipment issues that need to be put in place to enhance safety, versus what might just be nice to have. When you get that good, solid data, it enables us in tight budget times to prioritize appropriately what should be deployed and where. So that is another benefit of the voluntary reporting system, that we see it.

Mr. COSTELLO. You just answered my second question about non-punitive reporting, voluntary reporting at contract towers.

The final question, Ms. Gilbert, is you mention in your written testimony that the FAA and contract towers have different "safety cultures." What do you mean by that?

Ms. GILBERT. Well, in the FAA, as you well know, we voluntarily submit data to the agency so we can better assess where the risks are, how to mitigate them, how to prioritize them, and fund them appropriately to address the concerns. Rather than a punitive culture, where the blame would go on an individual, and there would be no real effort to correct what might be a true safety concern or issue.

We do not have that in the contract towers, and we are hoping that we are able to get that very soon. We do represent controllers under all three employers, and we are at different levels of discussions with them. However, I believe at this point in time their idea

of a voluntary, nonpunitive reporting system and ours is very, very different. So we have a little ways to go there.

Mr. COSTELLO. Thank you. Thank you, Mr. Chairman.

Mr. PETRI. Thank you. Mr. Lankford?

Mr. LANKFORD. Thank you. Thank you, Mr. Chairman. Mr. Strong, do you think it is—there is a greater risk, landing and taking off at a contract tower?

Mr. STRONG. No.

Mr. LANKFORD. What about in a—is there a difference in safety between a contract tower and an airport with no tower?

Mr. STRONG. No.

Mr. LANKFORD. OK.

Mr. STRONG. And I pause because you have different humans working in different towers. And, to me, that is not whether it is a contract tower or if it is an FAA tower. That is a human issue.

Mr. LANKFORD. Right.

Mr. STRONG. If the human is capable, and the human is on their game, if the human is Barry Sanders, as Mr. Southerland spoke to earlier, of the air traffic control world, then the human will be on their game and there won't be any difference. And we—typically, we don't see any.

Mr. LANKFORD. OK.

Ms. GILBERT. Could I answer that, please?

Mr. LANKFORD. Sure.

Ms. GILBERT. I was a controller at Houston Center for 21 years. And in my airspace, Hattiesburg, Mississippi, there are three airports in close proximity in that community. And there are no towers there. We provided the service out of the enroute facility. And it was a completely safe operation. However, for us to do that and not have a tower onsite, we were only able to provide one in, one out type of service.

Mr. LANKFORD. Right.

Ms. GILBERT. So you are not able to efficiently move aircraft in and out of the facility.

Mr. LANKFORD. But you are typically talking about a lower rate of in and out, as well. You are not talking about someone doing takeoffs and landings every 3 minutes in a no-tower airport.

Ms. GILBERT. No, only one is in. As soon as they taxi and they call you and they tell you they are off the runway, then you are able to then put another one in. In the meantime, those waiting to get in are holding.

Mr. LANKFORD. OK. And, as Mr. Strong said, you can't see a 12-point buck at that point.

Ms. GILBERT. Exactly.

Mr. LANKFORD. So which—I would assume there would be multiple responses to a 12-point buck in most Oklahoma towers, if you looked at the window and saw that.

Let me—ask a couple other questions on this, as well. How does—for Mr. Strong, there is a discussion about the cost sharing for the local municipality or the State or—how does that get covered? Now it is up to 20 percent. There are some recommendations up there to be up to 50 percent of the cost being a local cost. How does that get covered? What effect does that have?

Mr. STRONG. My concern, Mr. Lankford, is that it doesn't get covered. If we get to a place where the FAA asks a community to—"Your cost-benefit analysis has dropped to this place where we now want you to pony up to 50 percent of the cost to staff the tower on an annual basis," the community may already be looking at we have got to deal with DEQ regulations, we have got to take care of stormwater, we need more firefighters, we need more police, we have already got—we are already strapped with all of these things, and now the FAA comes to us and says, "In order for you to remain fully functional, you are going to have to step up to \$175, \$200,000 a year to staff the control tower."

It seems to me that we then put those community leaders—in our case, the University of Oklahoma—into a position of considering where do we get the money, if we don't have the money now, where are we going to find it, and then they begin to consider maybe a reduction in services, or even closing the control tower. That is my concern.

Mr. LANKFORD. Right.

Mr. STRONG. We have come to a place where the control towers are in place, they are part of the NAS. Everybody that has testified so far today has all agreed that it is about safety, safety, safety.

Mr. LANKFORD. Right.

Mr. STRONG. And any kind of reduction or putting a community in a position where they say, "Well, we are going to have to shut this thing down," is simply—

Mr. LANKFORD. Is there a possibility to give you more flexibility that reduces cost in other areas, to say—you brought up multiple different regulations, stormwater and all the different regulations that also come down from the Federal Government into a community or onto an airport itself. Are there ways to be able to say, "We will give you flexibility in these areas to take care of this, but you also have an increased cost, straight off"?

Mr. STRONG. I suppose that there might be, sir. I wouldn't know the answer to that, because it doesn't have wings, jet engines, or propellers on it. If it had one of those things, I might be a little bit better to answer it. But I suppose so. I don't really know the answer.

Mr. LANKFORD. OK. Ms. Gilbert, you also mentioned that you were opposed to transitioning, or the organization was opposed to transitioning more airports from FAA to contract. In the mid-1990s was your organization also opposed to transitioning the 136 that are currently contract that used to be FAA? Was the organization opposed to that transition, as well?

And if so—let me just get a chance to talk this through—do you think it was a mistake that they were moved from FAA to contract towers, based on the current position the organization now, that we shouldn't have any more contract towers moved from FAA to that?

Ms. GILBERT. We were opposed to the transfer and conversion of those towers. Just as our testimony says, our written testimony and the recommendations—

Mr. LANKFORD. Right.

Ms. GILBERT [continuing]. Our concern is about proper training, proper staffing, and proper equipment maintenance, regardless of whether it is a contract tower or an FAA tower.

Mr. LANKFORD. Right.

Ms. GILBERT. So that is our position.

Mr. LANKFORD. Was it a mistake to move those? Has it proved to be unsafe?

Ms. GILBERT. It hasn't proved to be unsafe, but we have a concern about the margin of safety being stretched to accommodate the bottom line, versus safety first. Somebody has got to make money in a Contract Power Program, and that is our concern. And the way that they are able to do that is barebones staffing, the equipment issues that we have raised, and also, in a lot of cases, the hours of operations. A lot of those facilities reduced the hours that they provide service to their community when they transferred from FAA to contract tower.

Mr. LANKFORD. OK. Thank you. My time has expired. I yield back.

Mr. PETRI. Thank you. And—yes, sir?

Mr. STRONG. Mr. Chairman, if I might, there is a couple of things that I would like to speak to: the proper training, staffing, and equipping of the control towers. I have been a part of the U.S. Contract Tower Association Policy Board for about 10 years. And in that time, I have been the chair for about 6. I have met with the contractors on a frequent recurring basis. And each and every one of them, when we come to our meetings, it is always about safety first. How can we do this the best way we can possibly do it?

Training, they always step up to the highest levels of training, be it recurring training or initial training. There was talk about the difference between certified controller and the training only being 30 days, and then you might get fired if you didn't make your—get your rating in 30 days. Controllers in the contract world come to the tower already certified by the FAA. They have a control tower operator certificate. So all they have to do is come to that tower, learn the particulars of the airspace at that airport, and then move forward.

So, if there is something different about that facility that may require them to need a couple of extra days, I think the contractors would allow for that.

There was comment about the punitive safety culture. That causes me great concern. Again, I have worked with these contractors for 10 years. I know what their heart is, I know what they are driven by, I know what their attention is. And they are not about punitive. Now, in the contract tower world, we do not yet have ATSAP. But the contractors are embracing that activity or that possibility. They want to move that forward.

I would submit to you also, in the voluntary reporting of ATSAP, much like the NAS's callback—pilots are familiar with that—NAS's callback, if you make an error, you report it to callback, then you are not to be punished. And it seems to me that ATSAP is about the same thing for controllers. Even in NAS's callback, even though it is a very good program, you will never get 100 percent reporting. You are talking about humans. If—some people, if they make an error, and they don't think anybody saw it, they may not report it, whether it is a contract tower or an FAA tower. Unless we have some other nonhuman methodology of tracking the error, I don't think you will ever get 100 percent.

But I would say this. I know the hearts and the minds and the intentions of these contractors. And they are dead set on having ATSAP or some functioning reporting system like that, as FAA does. And currently, I might add, they are serious about—the only time that you will get punished is for not reporting an error. If you have an error or a deviation in the system, if you don't report it, then you have got a problem. If you do report it, we want to know about it, because we want to know what caused it, and how could we move forward, how can we learn from that and move forward in a safer condition.

Mr. PETRI. Thank you. Thank you all for your testimony. This hearing is adjourned.

[Whereupon, at 11:46 a.m., the subcommittee was adjourned.]



STATEMENT OF
THE HONORABLE JERRY F. COSTELLO
SUBCOMMITTEE ON AVIATION HEARING ON
"A REVIEW OF THE FAA'S CONTRACT TOWER PROGRAM"
JULY 18, 2012

- Mr. Chairman, thank you for calling today's hearing on "A Review of the FAA's Contract Tower Program."

- A control tower at an airport – either a Federal tower or a contact tower – enhances safety, particularly at busy times. The Federal Contract Tower program provides air traffic services at 250 smaller airports, including three in my district. Many of the airports served by contract towers nationwide might not have control towers if the program did not exist.

- In speaking regularly with airport operators in my district, as well as other aviation stakeholders, the message I take away from these conversations is airports and general aviation pilots appreciate the safety benefits of the contract tower program,

especially at airports where the alternative would be not to have a staffed tower. For many towers in the program, the safety benefits outweigh the costs.

- To that end, I understand that the FAA is consulting with stakeholders as it updates its cost and benefit calculations for towers in the program. Some airport stakeholders have expressed concern that in the future, more towers could be required to pay a cost share or, in some cases, be forced to pay more. If they cannot afford to do this, they would have to leave the program. Although the FAA also proposed to increase the maximum local cost share for the program in its fiscal year 2013 budget proposal, both the House and Senate appropriations bills have rejected this proposal.

- Going forward, I urge the FAA to work with stakeholders as it updates its calculations of costs and benefits. If the FAA finds any challenges with program costs and benefits as it recalculates those figures, we must be ready to address those issues in a manner that takes all stakeholders' views into account.

- With that, Mr. Chairman, I thank you for calling this hearing, and I look forward to hearing from our witnesses.

**Remarks of U.S. Rep. Nick J. Rahall, II
Ranking Member
Committee on Transportation and Infrastructure
Subcommittee on Aviation Hearing on
“A Review of the FAA's Contract Tower Program”
July 18, 2012**

I would like to thank Chairman Petri for calling this hearing on the contract tower program of the Federal Aviation Administration. I look forward to hearing from our witnesses about the role of the program for airports in many smaller communities that might not otherwise have control towers. There can be little doubt that a control tower – whether operated by the FAA or a contractor – enhances safety for pilots.

The FAA has implemented a nationwide voluntary safety reporting program that actively encourages FAA controllers to report errors without fear of punitive action. The program shines a spotlight into the dark room of errors that may occur in FAA facilities, revealing safety issues that, otherwise, might have remained cloaked in the darkness.

However, the FAA's safety program does not apply in contract towers. Peering into the dark room of errors that may occur in contract facilities, we have just a flashlight – the same flashlight that has always been used to find out about operational errors. Comparatively speaking, we know more about errors in FAA facilities, because the FAA's spotlight is bringing them out of the darkness. Without an equally broad view of errors in contract facilities, I think it is very difficult to draw absolute comparisons about safety.

I would note that the Department of Transportation Inspector General observes that applying the FAA's voluntary reporting program to contract towers would ensure that errors are thoroughly reported. I understand that the FAA is encouraging its contractors to implement safety reporting programs, and I look forward to hearing more about these efforts.

The Inspector General also found that contract towers cost less to operate than FAA facilities because, in part, they are staffed with fewer controllers. However, the National Air Traffic Controllers Association, which actually represents controllers at a quarter of all current contract towers, has raised safety concerns with lean staffing levels. For example, controllers may have to stay on duty for longer. They may have to multi-task at a greater risk of distraction. They may have to work alone, with no backup. Past accidents and incidents have taught us that there must be enough controllers on duty in towers to do the job safely.

I am not suggesting that contract towers are not as safe as similar FAA facilities. Rather, I am saying we lack sufficient information to make a strong comparison, and contract towers have not adopted best practices that would allow us to fully evaluate and improve safety at these facilities. Contract towers should implement the same

proactive reporting programs that have been implemented at FAA towers so that we can collect the best safety information.

With that said, I again thank you, Chairman Petri, for calling this hearing, and I look forward to hearing from our witnesses.

**Before the Committee on Transportation and Infrastructure
Subcommittee on Aviation
United States House of Representatives**

For Release on Delivery
Expected at
10:00 a.m. EDT
Wednesday
July 18, 2012
CC-2012-023

Update on the Safety and Cost Aspects of the Federal Aviation Administration's Contract Tower Program

**Statement of
The Honorable Calvin L. Scovel III
Inspector General
U.S. Department of Transportation**



Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me to testify on the Federal Aviation Administration's (FAA) Contract Tower Program. There are currently 250 contract towers nationwide providing air traffic control services to a wide range of users, including general aviation, commercial and cargo carriers, and the military. Since its inception 30 years ago, the program has successfully served airports that otherwise would not have air traffic control services, thereby increasing the level of safety for those pilots and communities.

Between 1998 and 2003, we completed four reviews of the Contract Tower Program.¹ Overall, we found little difference in the safety or quality of services provided by similar FAA and contract towers. We also found that the contract towers provided air traffic services to low-activity² airports at lower costs than the Agency could otherwise provide. At the request of the House Committee on Appropriations, we initiated a new review of the program. My testimony is based on our ongoing work and will focus on (1) the Contract Tower Program's safety aspects and overall user satisfaction, (2) whether the program remains cost-efficient, and (3) actions FAA can take to improve program oversight. Exhibit A provides a detailed explanation of our methodology. Exhibits B and C list the locations of all contract towers and 92 comparable FAA towers.

IN SUMMARY

Contract towers continue to provide safe air traffic services and are strongly supported by users. Our ongoing work has found that contract towers had a lower number and rate of reported safety incidents³ than similar FAA towers and that Agency safety evaluations found fewer deficiencies with contract towers. Users did not raise any safety concerns regarding the services provided by contract towers and believe the services they receive from contract towers are comparable to those from similar FAA towers. Contract towers also continue to provide cost-efficient air traffic control services, with the average contract tower costing roughly \$1.5 million less to operate annually than a comparable FAA tower—due largely to lower staffing and salary levels. However, FAA can take certain actions to improve its oversight of the program. These actions include implementing a voluntary safety incident reporting program at contract towers,

¹ OIG Report No. AV-1998-147, "Federal Contract Tower Program," May 18, 1998; OIG Report No. AV-2000-079, "Contract Towers: Observations on FAA's Study of Expanding the Program," April 12, 2000; OIG Report No. AV-2002-068, "Audit Report on Subcontracting Issues of the Contract Tower Program," December 14, 2001; OIG Report No. AV-2003-057, "Safety, Cost, and Operational Metrics of the Federal Aviation Administration's Visual Flight Rules Towers," September 4, 2003. OIG reports are available on our Web site: <http://www.oig.dot.gov>.

² Low activity towers are generally located at airports near smaller cities that are served by commuter airlines rather than major carriers. In many instances, there is no scheduled carrier operating from the airport and the activity consists of private, business, and general aviation operations.

³ Safety incidents include operational errors, operational deviations, and runway incursions. An operational error occurs when an air traffic controller does not maintain minimum separation between two aircraft or between an aircraft and terrain or obstacles. An operational deviation occurs when a controller allows an aircraft to enter airspace managed by another controller without prior coordination and approval. A runway incursion is any incident involving an unauthorized aircraft, vehicle, or person on a runway.

implementing processes to regularly evaluate contract towers as required by Congress, and reviewing annual labor hours worked to determine if the contractors provide the level of service called for in the contract.

BACKGROUND

In 1982, FAA began the Contract Tower Program as a pilot program to contract air traffic services for five low-activity towers that were closed as a result of the Professional Air Traffic Controllers Organization strike. In 1994, Congress provided funding for a multi-year program to convert additional FAA low-activity towers to contract operations. The program was further expanded in 1998 when Congress provided funding for a cost-sharing program, which allows airports that would not normally qualify for the program access by permitting the airport sponsors to pay for a portion of the costs to operate the tower, with FAA providing at least 80 percent of the cost.

Currently, there are 250 towers in the Contract Tower Program across 46 States⁴ and 4 territories; 228 towers are fully funded by FAA, 16 are part of the cost-share program, and 6 towers are used by the Air National Guard.⁵ Three contractors provide staff to operate the towers in seven geographic areas.⁶ The current contracts, which run from February 1, 2010, to September 30, 2014, are worth nearly \$600 million. FAA's Contract Tower and Weather Group (CTWG) within the Air Traffic Organization (ATO) oversees the administrative functions of the program, and FAA's Aviation Safety Organization (AVS) provides safety oversight. FAA is requesting \$138 million in fiscal year 2013 for the Contract Tower Program.

CONTRACT TOWERS CONTINUE TO PROVIDE SAFE SERVICES AND ARE SUPPORTED BY USERS

Overall, contract towers reported a lower number and rate of safety incidents, and FAA facility evaluations identified fewer deficiencies with contract towers than with similar FAA towers. In addition, users continue to support the program and are satisfied with the safety and quality of the services provided by contract towers.

Contract Towers Have a Lower Number of Reported Safety Incidents and Deficiencies Than Comparable FAA Towers

When compared with comparable FAA towers, contract towers reported both a lower number and lower rate of operational errors, operational deviations, and runway

⁴ The four States without a contract tower are Delaware, Maine, Rhode Island, and Vermont.

⁵ The six Air National Guard Towers are included in the Contract Tower Program under a special agreement with the Department of Defense.

⁶ The three contractors are Robinson Aviation (RVA) Inc., Midwest Air Traffic Control Service Inc., and Serco, Inc.

incursions in fiscal year 2010.⁷ Table 1 shows our comparison of these safety incidents reported at 240 contract towers and 92 comparable FAA towers.⁸

Table 1. Number and Rate of Fiscal Year 2010 Safety Incidents at Comparable Contract and FAA Air Traffic Control Towers

Towers	Total Number of Safety Incidents			Incident Rate Per One-Million Operations		
	Operational Errors	Operational Deviations	Runway Incursions	Operational Errors	Operational Deviations	Runway Incursions
240 Contract	18	12	167	1.24	0.83	11.55
92 FAA	52	35	275	4.54	3.06	24.01

Source: OIG analysis of FAA data

FAA's periodic evaluations of air traffic facilities' compliance with FAA directives also indicate that fewer procedural, training, and administrative deficiencies are found at contract towers. Facility evaluations for a sample of 30 contract towers conducted between May 2006 and September 2010 and a sample of 30 comparable FAA towers conducted between January 2007 and September 2010 identified a total of 156 deficiencies at the 30 contract towers and 338 deficiencies at the 30 FAA towers. While none of the deficiencies cited were serious in nature, some of the most frequently identified deficiencies at both contract and FAA towers include outdated training records, inadequate quality assurance reviews by facility managers, incomplete supplemental controller training, and improper position relief briefings and radio communications by controllers.

Users Are Satisfied With the Level and Quality of Services Provided by Contract Towers

As we have reported previously, pilots, flight instructors, airport officials, fixed-based operators,⁹ and representatives from airport and general aviation organizations support the Contract Tower Program. Specifically, users at 12 contract towers and 7 FAA towers we visited during our current review were satisfied with the services provided by contract towers and the three contractors and believed the services they receive were comparable to similar FAA towers. In several instances, pilots were surprised to learn that towers they frequently interacted with were actually contract towers and described the services provided by FAA and contract towers as "seamless."

National and facility officials from the National Air Traffic Controllers Association (NATCA), who represent controllers at 63 contract towers, support the cost-share aspect of the current program. However, they raised concerns that contract towers have much

⁷ We began our review in June 2011, and the fiscal year 2010 data were the most complete and updated yearly information available for our audit.

⁸ Identified by FAA as comparable towers.

⁹ Fixed-base operators are airport tenants that provide fueling, maintenance, or other aviation-related services.

lower staffing levels than comparable FAA towers, are often staffed with only 1 controller for portions of the day, and that controller certification training at contract towers can take as little as 30 days, while at an FAA facility it can take from 1 to 5 years.

We discussed NATCA's concerns with FAA safety officials, local airport officials and pilots, and aviation associations that use contract towers. Overall, they stated that contract towers operate safely and did not have any concerns about staffing practices at contract towers. Contract tower controllers are required to meet the same certification requirements as FAA controllers and are certified by FAA. Additionally, most contract tower controllers are also former FAA or military controllers who must have a Control Tower Operator license in order to be hired and therefore generally require less time to become certified at their locations. Conversely, FAA generally hires controllers for its air traffic facilities with little or no air traffic experience who require more training in order to certify at its facilities.

CONTRACT TOWERS CONTINUE TO PROVIDE COST-EFFICIENT SERVICES

Contract towers continue to operate at lower costs than comparable FAA towers. Our comparison of costs¹⁰ at our sample of 30 contract towers and 30 FAA towers with similar air traffic densities¹¹ found that the average operations costs in fiscal year 2010 were about \$537,000 for a contract tower and about \$2.025 million for an FAA tower—a difference of \$1.488 million, or 277 percent (see table 2).

Table 2. Average Cost and Staffing Differences Between 30 Contract Towers and 30 Comparable FAA Towers

	Average Air Traffic Density	Average FY 2010 Cost	Average Number of Air Traffic Personnel
FAA Tower	15.55	\$2,025,104	16.23
Contract Tower	15.34	\$536,911	6.03
Average Difference	0.21	\$1,488,193	10.20

Source: OIG analysis based on data from FAA

The difference in cost is primarily due to two factors. First, contract towers are staffed at lower levels than the comparable FAA towers. The 30 contract towers in our sample had an average of 6 air traffic personnel at the facility, while the sample of 30 comparable FAA towers had an average of 16 air traffic personnel.¹² Second, contract tower

¹⁰ These costs included air traffic personnel compensation and benefits, travel and transportation, supplies, materials, and insurance. Infrastructure, maintenance, and equipment costs for FAA and contract towers were not included in our analysis because, under terms of the contract, contractors are not responsible for these costs. In addition, FAA's FY 2010 estimated cost to administer the Contract Tower Program (\$2.23 million or about \$9,000 per contract tower) was not included in our cost calculation.

¹¹ Density is defined as the average number of operations at a tower per hour the facility is open.

¹² Air traffic personnel are defined as air traffic controllers, supervisors, and management.

controllers' salaries, which are based on Department of Labor wage rates, are lower than the salaries paid to FAA controllers. For example, based on current Department of Labor rates, an air traffic controller at the Albert Whitted Tower near Tampa, FL, would receive base pay of about \$56,000 per year, whereas an FAA-employed air traffic controller in Sarasota, FL, an area with a similar cost of living, would receive base pay ranging from about \$63,000 to \$85,000 per year, depending on experience.

FAA OVERSIGHT OF THE CONTRACT TOWER PROGRAM COULD BE IMPROVED

While the Contract Tower Program continues to provide cost-efficient air traffic services that are supported by users, there are opportunities for FAA to improve its oversight and strengthen program controls. These opportunities include implementing a voluntary safety incident reporting program at contract towers, implementing policies that require contract towers to receive regular safety reviews, and improving agency oversight over the contractual aspects of the program.

Accurate Incident Reporting at Contract Towers Is Critical To Maintaining Safety

Contract towers are required to follow the same process for reporting and documenting safety incidents as FAA facilities. However, according to two FAA studies that were conducted in 2009 and 2010, contract towers had a lower number of reported runway incursions than comparable FAA towers. The Agency determined that the main reasons for the difference were that contract tower controllers either did not know the current definition of a runway incursion or the criteria for classifying them. FAA also found that two-thirds of the contract towers reviewed had not submitted runway safety action plans for the previous 2 years.

In light of these findings, managers from FAA's Runway Safety Program office met with contractors and emphasized the importance of runway incursion prevention and reporting. Subsequently, a 2010 FAA study showed runway incursions reporting at contract towers had increased sharply.¹³ However, strong senior-level oversight and accountability by FAA and contractors, along with improved reporting mechanisms for all air traffic facilities, are needed to address ongoing concerns about the accurate reporting of runway incursions and other safety incidents. Additional oversight could help ensure accurate and comprehensive reporting of safety incidents at contract towers. This includes incorporating contract towers into a voluntary reporting system such as the Air Traffic Safety Action Program (ATSAP).¹⁴

¹³ "Study of Runway Incursion Reporting at Federal Contract Towers," ATO's Office of Safety, December 2010.

¹⁴ ATSAP is a voluntary, non-punitive safety reporting program that encourages controllers to report operational errors and other safety incidents.

New Oversight System Does Not Ensure That Contract Towers Receive Regular Safety Evaluations as Required by Congress

Prior to October 2010, FAA conducted evaluations of all air traffic facilities, including contract towers, every 3 years. In January 2012, FAA transitioned to a new data-driven, risk-based oversight system as its primary method to oversee air traffic facilities. Under the new system, safety incident data are analyzed to identify specific safety problems or trends at air traffic facilities. Based on this analysis, the Agency will then focus its oversight efforts on those identified issues or trends. However, if data are unavailable due to a lower rate of occurrence, are unreliable, or there are no trends to analyze, some low risk towers, including contract towers, could go years without being evaluated. Should there be lengthy periods between reviews of contract towers under this risk-based system, FAA may not meet the intent of new legislation that requires the Secretary to “establish uniform standards and requirements for regular safety assessments” of contract towers.¹⁵

FAA Can Improve Its Contractual Oversight of the Program

Finally, FAA has opportunities to improve its oversight of the contractual and operational aspects of the Contract Tower Program. This includes ensuring that the contractors are providing the level of service required by the contract. In 1998 we reported that contract towers were not staffed in accordance with contractor staffing plans. In response, FAA included a provision in subsequent contracts requiring contractors to submit a staffing plan that includes the number of controllers who will work at the tower and the total annual number of hours those controllers will work, exclusive of vacation, holiday, and sick leave. Once FAA approves the staffing plan, the contractors must comply with the staffing levels and hours of service called for in the plan, and actual hours worked must be within plus or minus 3 percent of the approved plan.

However, we found that the effectiveness of this control is limited because FAA does not review the actual annual hours worked by contractors. Instead, the CTWG only reviews the monthly reports provided by the three contractors. As a result, FAA may be paying for services that have not been provided and is possibly missing opportunities to recoup funds.

CONCLUSION

The Contract Tower Program has successfully contributed to FAA’s goal of ensuring the safety and cost-effectiveness of the air traffic control system. However, the continued success of the program will depend on effective follow through by FAA to enhance how it collects and uses safety data on contract towers so that they receive the appropriate level of oversight and to improve controls over the program’s contractual aspects to protect against any potential misuse of funds.

¹⁵ “FAA Modernization and Reform Act of 2012,” Sec. 147, Public Law 112-95, February 14, 2012.

This concludes my statement. I would be happy to address any questions from the Chairman or Members of the Subcommittee at this time.

EXHIBIT A. OIG METHODOLOGY FOR SAFETY AND COST ANALYSES**Universe of Contract and FAA Towers and Tower Samples Selected**

The universe of contract towers consisted of 246 towers that were included in the Contract Tower Program as of February 2011. This includes 224 fully funded towers, 16 cost-share towers, and 6 towers that operated on behalf of the Air National Guard. The universe of FAA towers consisted of 92 towers that were selected by FAA as being comparable to contract towers.

To determine our sample of 30 contract and 30 FAA towers, we utilized a universe of 240 contract towers that were in the program as of February 2011 and excluded the 6 Air National Guard towers on the advice of the CTWG Program Manager because they were operated by the Department of Defense, not FAA. The OIG statistician, using FY 2009 and FY 2010 numbers of operations and hours of service, calculated the average density for each of 240 contract towers and 92 FAA towers. The statistician then selected a random sample of 30 contract towers where a tower's selection probability was proportional to its average density, which we used to select 30 similar FAA towers by matching the average density of each contract tower to a FAA tower.

Safety Analyses

To determine the number and rate of safety incidents (operational errors, operational deviations, and runway incursions) at contract towers and comparable FAA towers, we reviewed FY 2010 safety incident data provided by ATO's Office of Safety (ATO-S) for the 240 contract towers (excluding the 6 Air National Guard towers) and 92 FAA towers. We determined the total number of incidents for two groups of facilities and calculated the rate of per million operations for each type of incident.

To determine safety and other deficiencies identified by FAA at contract and FAA towers, we reviewed facility safety evaluations conducted by FAA between May 12, 2006, and September 29, 2010, for the 30 sampled contract towers and between January 24, 2007, and September 29, 2010, for the 30 sampled FAA towers from FAA's Facility Safety Assessment System (FSAS). We then identified the total number and type of deficiencies cited at each tower.

Cost Analysis

To determine the difference in cost between contract towers and comparable FAA towers, we reviewed the contractor's agreement with FAA to determine the contractor's responsibilities. We then compared similar FY 2010 costs for the sample of 30 contract towers and 30 FAA towers to determine the annual cost difference. These costs included air traffic personnel compensation and benefits, travel and transportation, supplies, materials, and insurance. Infrastructure, maintenance, and equipment costs for contract and FAA towers were not included in our analysis because, under terms of the contract,

contractors are not responsible for these costs. FAA's FY 2010 estimated cost to administer the Contract Tower Program, \$2.23 million or about \$9,000 per contract tower, was not included in our cost calculation.

EXHIBIT B. LIST OF CONTRACT TOWERS (AS OF MAY 2012)

State	Airport Name	Tower ID	State	Airport Name	Tower ID
AK	Bethel	BET	CT	Tweed-New Haven	HVN
AK	Kenai	ENA	CT	Waterbury	OXC
AK	King Salmon	AKN	FL	Albert Whitted	SPG
AK	Kodiak	ADQ	FL	Boca Raton	BCT
AL	Brookley	BFM	FL	Cecil Field	VQQ
AL	Dothan	DHN	FL	Charlotte County Airport	PGD
AL	Tuscaloosa Municipal	TCL	FL	Flagler County Airport	XFL
AR	Fayetteville	FYV	FL	Gainesville	GNV
AR	Northwest Arkansas Regional	XNA	FL	Hollywood/North Perry	HWO
AR	Rogers Municipal-Carter Fld (CS)	ROG	FL	Jacksonville/Craig	CRG
AR	Springdale Municipal (CS)	ASG	FL	Key West	EYW
AR	Texarkana Muni/Webb Fld	TXK	FL	Kissimmee Municipal	ISM
AZ	Chandler	CHD	FL	Lakeland Municipal	LAL
AZ	Flagstaff Pulliam	FLG	FL	Leesburg Regional	LEE
AZ	Glendale	GEU	FL	Melbourne	MLB
AZ	Goodyear	GYR	FL	Naples	APF
AZ	Laughlin International	IFP	FL	New Smyrna Beach Municipal Arprt	EVB
AZ	Ryan Field	RYN	FL	Ocala Airport	OCF
AZ	Williams Gateway	IWA	FL	Opa Locka	OPF
CA	Castle	MER	FL	Ormond Beach Municipal	OMN
CA	Chico Municipal	CIC	FL	Page Field	FMY
CA	Fullerton	FUL	FL	Panama City/Bay County	ECP
CA	Hawthorne	HHR	FL	Pompano Beach	PMP
CA	Mather	MHR	FL	St Augustine	SGJ
CA	Modesto	MOD	FL	Stuart/Witham	SUA
CA	Oxnard	OXR	FL	Titusville/Cocoa	TIX
CA	Palmdale	PMD	GA	Anthens Municipal	AHN
CA	Ramona	RNM	GA	Fulton County	FTY
CA	Redding	RDD	GA	Gwinnett County	LZU
CA	Riverside	RAL	GA	Macon	MCN
CA	Sacramento Executive	SAC	GA	Mc Collum	RYY
CA	Salinas Municipal	SNS	GA	SW Georgia/Albany-Dougherty	ABY
CA	San Carlos	SQL	GU	Agana, Guam	GUM
CA	San Diego Brown Field	SDM	HI	Kalaeloa (John Rogers Field) (ANG)	JRF
CA	San Luis Obispo	SBP	HI	Keahole-Kona	KOA
CA	Santa Maria	SMX	HI	Lihue	LIH
CA	Victorville	VCV	HI	Molokai	MKK
CA	Whiteman	WHP	IA	Dubuque	DBQ
CA	William J. Fox/Lancaster	WJF	ID	Friedman Memorial/Hatley	SUN
CO	Eagle County	EGE	ID	Idaho Falls	IDA
CO	Front Range	FTG	ID	Lewiston-Nez Perce County	LWS
CO	Grand Junction	GJT	ID	Pocatello Municipal	PIH
CT	Bridgeport	BDR	IL	Bloomington/Normal	BMI
CT	Danbury Municipal	DXR	IL	Decatur	DEC
CT	Groton- New London	GON	IL	So. Illinois/Carbondale	MDH
CT	Hartford-Brainard	HFD	IL	St. Louis Regional	ALN

State	Airport Name	Tower ID	State	Airport Name	Tower ID
IL	Waukegan Regional	UGN	MS	Hawkins Field	HKS
IL	Williamson County (CS)	MWA	MS	Meridian/Key Field (ANG)	MEI
IN	Monroe County/ Bloomington (CS)	BMG	MS	Olive Branch	OLV
IN	Columbus Municipal	BAK	MS	Stennis	HSA
IN	Gary Regional	GYG	MS	Tupelo Regional	TUP
IN	Muncie/Delaware County (CS)	MIE	MT	Gallatin Field/Bozeman	BZN
KS	Forbes Field	FOE	MT	Kalispell/Glacier Park	GPI
KS	Garden City Regional Airport (CS)	GCK	MT	Missoula	MSO
KS	Hutchinson Municipal	HUT	NC	Concord	JQF
KS	Johnson County Executive	OJC	NC	Hickory	HKY
KS	Manhattan Regional	MHK	NC	Kinston	ISO
KS	New Century	IXD	NC	New Bern	EWN
KS	Philip Billard Municipal	TOP	NC	Smith Reynolds (Winston Salem)	INT
KS	Salina Municipal	SLN	ND	Minot	MOT
KY	Barkley Regional	PAH	NE	Central Nebraska/Grd Island (CS)	GRI
KY	Owensboro/Daviess County	OWB	NH	Boire Field/Nashua	ASH
LA	Acadiana Regional	ARA	NH	Lebanon Municipal	LEB
LA	Alexandria International (ANG)	AEX	NJ	Trenton	TTN
LA	Chennault	CWF	NM	Double Eagle II	AEG
LA	Houma Terreborne	HUM	NM	Farmington Municipal	FMN
LA	Shreveport-DT	DTN	NM	Lea County/Hobbs (CS)	HOB
MA	Barnes Municipal	BAF	NM	Santa Fe County Municipal	SAF
MA	Beverly	BVY	NV	Henderson	HND
MA	Hyannis	HYA	NY	Francis F. Gabreski	FOK
MA	Lawrence	LWM	NY	Niagara Falls	IAG
MA	Martha's Vineyard	MVY	NY	Rome-Griffiss	RME
MA	New Bedford	EWB	NY	Stewart	SWF
MA	Norwood	OWD	NY	Tompkins County	ITH
MA	Worcester	ORH	OH	Burke Lakefront	BKL
MD	Easton	ESN	OH	Cincinnati Muni/Lunken	LUK
MD	Frederick	FDK	OH	Columbus Airport (Bolton Field)	TZR
MD	Martin State	MTN	OH	Cuyahoga County	CGF
MD	Salisbury-Wicomico County	SBY	OH	Ohio State University	OSU
MD	Washington Co. Reg'l/ Hagerstown	HGR	OK	Ardmore Municipal (CS)	ADM
MI	Battle Creek	BTL	OK	Enid Woodring Muni	WDG
MI	Detroit City	DET	OK	Lawton Municipal	LAW
MI	Jackson (CS)	JXN	OK	Stillwater	SWO
MI	Sawyer Gwinn	SAW	OK	Univ of Oklahoma/Westheimer	OUN
MN	Anoka	ANE	OK	Wiley Post	PWA
MN	St. Cloud Regional	STC	OR	Klamath Falls (ANG)	LMT
MO	Branson Airport	BBG	OR	McNary Field	SLE
MO	Columbia	COU	OR	Medford	MFR
MO	Jefferson City Memorial (CS)	JEF	OR	Pendleton Municipal	PDT
MO	Joplin Regional (CS)	JLN	OR	Redmond	RDM
MO	Rosecrans Mem'l/St. Joseph (ANG)	STJ	OR	Southwest Oregon Regional	OTH
MP	Saipan International	GSN	OR	Troutdale	TTD
MS	Golden Triangle Regional Airport	GTR	PA	Arnold Palmer Regional	LBE
MS	Greenville Municipal	GLH	PA	Capital City	CXY

State	Airport Name	Tower ID	State	Airport Name	Tower ID
PA	Lancaster	LNS	TX	Sugarland	SGR
PA	University Park	UNV	TX	Tyler	TYR
PA	Williamsport/Lycoming Co. (CS)	IPT	TX	Victoria	VCT
PR	Isla Grande	SIG	TX	Waco	CNW
PR	Rafael Hernandez (Aquadilla)	BQN	UT	Ogden-Hinckley Municipal	OGD
SC	Donaldson Center	GYH	UT	Provo Municipal	PVU
SC	Grand Strand/Myrtle Beach	CRE	VA	Charlottesville-Albemarle	CHO
SC	Greenville Downtown	GMU	VA	Lynchburg	LYH
SC	Hilton Head Airport	HXD	VI	Henry E. Rohlsen Airport	STX
SD	Rapid City Regional	RAP	WA	Bellingham Intl	BLI
SC	McKeller-Sipes	MKL	WA	Felts Field	SFF
TN	Millington	NQA	WA	Olympia	OLM
TN	Smyrna	MQY	WA	Renton	RNT
TX	Arlington Municipal	GKY	WA	Tacoma Narrows	TIW
TX	Brownsville Intl	BRO	WA	Walla Walla Regional (CS)	ALW
TX	Denton Municipal	DTO	WA	Yakima	YKM
TX	Easterwood	CLL	WI	Appleton	ATW
TX	Fort Worth-Spinks (CS)	FWS	WI	Central Wisconsin	CWA
TX	Georgetown	GTU	WI	Chippewa Valley (Eau Claire)	EAU
TX	Grand Prairie (CS)	GPM	WI	Kenosha Muni	ENW
TX	Laredo Int'l	LRD	WI	La Crosse	LSE
TX	Lonestar Executive Airport	CXO	WI	Rock County	JVL
TX	McAllen	MFE	WI	Timmerman	MWC
TX	McKinney Municipal	TKI	WI	Waukesha County	UES
TX	New Braunfels Municipal	BAZ	WI	Wittman Regional	OSH
TX	Redbird	RBD	WV	Greenbrier Valley	LWB
TX	Rio Grand Valley (Haringen)	HRL	WV	Morgantown	MGW
TX	San Angelo/Mathis Field	SJT	WV	Parkersburg/Wood County	PKB
TX	San Marcos	HYI	WV	Wheeling Ohio County	HLG
TX	(Galveston) Scholes Int'l	GLS	WY	Cheyenne (ANG)	CYS
TX	Stinson Municipal	SSF	WY	Jackson Hole	JAC

ANG: Air National Guard Tower, CS: Cost-Share Tower
Source: FAA

EXHIBIT C. LIST OF 92 COMPARABLE FAA TOWERS

State	Tower Name	Tower ID	State	Tower Name	Tower ID
AK	Juneau Tower	JNU	IL	Aurora Tower	ARR
AK	Merrill Tower	MRI	IL	Chicago Executive Tower	PWK
AZ	Falcon Tower	FFZ	IL	Downtown Tower	CPS
AZ	Grand Canyon Tower	GCN	IL	Dupage Tower	DPA
AZ	Prescott Tower	PRC	IN	Lafayette Tower	LAF
AZ	Scottsdale Tower	SDL	KY	Bowman Tower	LOU
CA	Brackett Tower	POC	LA	Lakefront Tower	NEW
CA	Burbank Tower	BUR	MA	Hanscom Tower	BED
CA	Camarillo Tower	CMA	MA	Nantucket Tower	ACK
CA	Chino Tower	CNO	MD	Andrews Tower	ADW
CA	Concord Tower	CCR	MI	Ann Arbor Tower	ARB
CA	El Monte Tower	EMT	MI	Pontiac Tower	PTK
CA	Gillespie Tower	SEE	MI	Traverse City Tower	TVC
CA	Hayward Tower	HWD	MI	Willow Run Tower	YIP
CA	Livermore Tower	LVK	MN	Crystal Tower	MIC
CA	Monterey Tower	MRY	MN	Flying Cloud Tower	FCM
CA	Montgomery Tower	MYF	MN	St Paul Tower	STP
CA	Napa Tower	APC	MO	Downtown Tower	MKC
CA	Ontario Tower	ONT	MO	Helena Tower	HLN
CA	Palm Springs Tower	PSP	MO	Spirit Tower	SUS
CA	Palo Alto Tower	PAO	ND	Grand Forks Tower	GFK
CA	Palomar Tower	CRQ	NE	Eppley Tower	OMA
CA	Reid-Hillview Tower	RHV	NE	Lincoln Tower	LNK
CA	Sacramento Tower	SMF	NH	Manchester Tower	MHT
CA	San Diego Tower	SAN	NJ	Caldwell Tower	CDW
CA	San Jose Tower	SJC	NJ	Morristown Tower	MMU
CA	Santa Monica Tower	SMO	NJ	Teterboro Tower	TEB
CA	Sonoma Tower	STS	NV	North Las Vegas Tower	VGJ
CA	Stockton Tower	SCK	NY	Farmingdale Tower	FRG
CA	Torrance Tower	TOA	NY	Islip Tower	ISP
CO	Broomfield Tower	BJC	NY	Poughkeepsie Tower	POU
CO	Pueblo Tower	PUB	NY	Westchester Tower	HPN
CT	Bradley Tower	BDL	OR	Hillsboro Tower	HIO
DE	Wilmington Tower	ILG	PA	Allegheny Tower	AGC
FL	Fort Lauderdale Executive Tower	FXE	PA	Northeast Philadelphia Tower	PNE
FL	Orlando Executive Tower	ORL	PR	San Juan Tower	SJU
FL	Pensacola Tower	PNS	TX	Addison Tower	ADS
FL	Sarasota Tower	SRQ	TX	Alliance Tower	AFW
FL	St Lucie Tower	FPR	TX	Beaumont Tower	BPT
FL	St Petersburg Tower	PIE	TX	Hooks Tower	DWH
FL	Tamiami Tower	TMB	TX	Meacham Tower	FTW
FL	Vero Beach Tower	VRB	VA	Manassas Tower	HEF
GA	Columbus Tower	CSG	VA	Patrick Henry Tower	PHF
GA	DeKalb - Peachtree Tower	PDK	VA	Richmond Tower	RIC
HI	Maui Tower	OGG	VI	St Thomas Tower	STT
ID	Twin Falls Tower	TWF	WA	Paine Tower	PAE

This list was provided by FAA for comparison purposes only. Currently FAA has no plans to expand the Contract Tower Program to additional FAA-operated towers.

Source: FAA

STATEMENT OF DAVID GRIZZLE, CHIEF OPERATING OFFICER, AIR TRAFFIC ORGANIZATION AND JULIE OETTINGER, ASSISTANT ADMINISTRATOR FOR POLICY, INTERNATIONAL AFFAIRS AND ENVIRONMENT BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON AVIATION, ON THE INSPECTOR GENERAL'S REPORT ON THE SAFETY AND COST OF THE FAA'S CONTRACT TOWER PROGRAM, JULY 18, 2012.

Chairman Petri, Congressman Costello, Members of the Subcommittee:

Thank you for the opportunity to speak with you today about the status of the Federal Aviation Administration's (FAA) contract tower program. Since its inception in 1982, this program has been part of how FAA delivers safe and cost-effective air traffic control management to the users of the national airspace system (NAS). There is a general consensus that the program has been successful and it has created measurable efficiencies in the system for both commercial and general aviation operators, while delivering safety benefits to the traveling public. The FAA, the users of the system and the IG are confident that the contract controllers are competent and maintain the highest degree of safety.

The program has grown significantly over the years. It began as a pilot program to contract for air traffic control services for five Level I, lower activity towers that were closed as a result of the Professional Air Traffic Controllers Organization strike in 1981. The program grew to 27 towers by 1993. In 1994, Congress provided funding for a multi-year program to convert additional FAA-operated Level I towers to contract operations. The Program was further expanded by including towers at airports that never had an FAA-operated tower. Today there are 250 contract towers in the program across 49 states and territories.

As this program has developed over the years, it has been the subject of great interest and, at times, controversy. There were fears that this was the first step toward privatization of air traffic control. There were fears that contract towers would not provide the same level of safety as those staffed by federal government employees. There were fears that cost savings would overrule safety in the execution of this program. I think the good news is this program has evolved in way to be a valuable component of how the FAA manages the NAS.

As you consider this program today, let me note a number of factors that are shaping the program.

First, the NAS is going through some significant changes. The economic downturn that hit the U.S. in 2008 had a profound impact on the general aviation system, and the airport operations where many contract towers are located. There has been a decline in commercial operations at contract towers by 13%, and an overall decrease in operations at those towers by 23%. Critically, looking forward, our forecasts do not see operational levels returning to those seen prior to the economic downturn anytime soon. So we need to make sure we are managing a program that delivers the safety and efficiency benefits to deal with this changing pattern of aviation activity.

Second, Congress has spoken in consistent support of this program, including how to find creative public-private partnerships to foster this program. In 2000, Vision-100

authorized a cost share program so some communities that had an airport that did not meet the required cost-benefit ratio to qualify as a contract tower could instead qualify for a contract tower where the costs are shared between the FAA and the community based on the cost-benefit ratio. Last year, the consolidated appropriations measure for Fiscal Year 2012 (PL 112-55) included a provision that capped the amount any community could be required to pay toward the operating costs of a contract tower in the cost share program at 20% of the total cost of the tower's operation. We agree with the Congress about the importance of the cost share program and are committed to working in an effective fashion with stakeholders to optimize how this program can contribute to our optimal management of the NAS.

Third, as the latest IG update on the status of this important program demonstrates, towers operated by individuals who do not work directly for the federal government generally function safely and cost-effectively. The program creates measurable efficiencies in the system for both commercial and general aviation operators while ensuring a high-level of safety in the NAS.

Fourth, in light of the economic realities, the FAA's ability to maximize its resources to benefit the overall needs of the NAS is extremely important. That is why we proposed in our FY 2013 budget request to recover up to 50%, rather than the 20% currently imposed, of costs for towers that are not fully cost-beneficial. The FAA is always investigating ways to operate more cost-effectively by reviewing and adjusting, as necessary, staffing levels, operating hours, and deployment of system enhancements. We welcome

opportunities to safely incorporate best practices from the contract tower program into FAA tower operations.

Fifth, we are updating the cost-benefit analysis for this important public-private partnership. We last did an update of the cost-benefit analysis in 2008. We delayed a new update for a couple of years given our uncertainties about the direction of activity levels and pending legislation that might change the program. We are now moving forward, as existing operational trends appear to represent the new normal and Reauthorization has been enacted. We continue to use the same basic model for our current cost-benefit work while updating inputs including traffic changes, revision to the Department of Transportation's valuation for avoiding fatalities and injuries, and data from the FAA's maturing cost accounting system. We are discussing our approach to incorporating this new information with the U.S. Contract Tower Association to ensure that FAA is considering all pertinent factors in its calculations of individual towers. FAA is determined not to make any final decisions until we have had a full and informed discussion with interested parties.

Finally, we are undertaking a number of efforts to ensure a well-grounded longer term approach. The FAA's Aviation Safety organization is currently conducting a study to compare safety data between airports with manned control towers (federal or contract) and airports that are unmanned. This information will provide the FAA with important information about the future investment in air traffic control facilities and risk management.

We also need to make sure the contract tower program is well integrated into our NextGen endeavors. How we manage air traffic, how we use technologies, and how we organize our facilities and infrastructure will all change over time as we bring NextGen technologies into the system.

In closing, I think we all recognize we live in challenging times and are dealing with a dynamic aviation system. Taking a static view of equipment and services that are in a given place at a given time will not deliver the system the traveling public requires. As new technologies emerge and are integrated into the system, the needs of the NAS, including those of contract towers, may change in order to take the best advantage of safety and efficiency opportunities.

“One size fits all” never has, and never will, be an effective way to make safety and efficiency decisions that affect the NAS and the travelling public. FAA is the guardian of a system that has achieved a safety level that is envied around the world. We remain committed to the contract tower program as an important component of how we deliver safety and efficiency in the NAS. While fiscal realities must play a role in aviation investments, the FAA will not tolerate any degradation in safety, and we recognize that Congress and the traveling public share that view.

Thank you for this opportunity to speak before you. I am happy to answer any questions you might have at this time.

Statement of

Mr. Walter B. Strong, Jr., A.A.E.

Administrator, Max Westheimer Airport

Norman, Oklahoma

Before the Subcommittee on Aviation

Committee on Transportation and Infrastructure

U.S. House of Representatives

“A Review of the FAA Contract Tower Program”

July 18, 2012

Chairman Petri, Ranking Member Costello and members of the House Aviation Subcommittee, thank you for inviting me to discuss FAA’s Contract Tower Program.

I am Walt Strong, Administrator of the University of Oklahoma’s Max Westheimer Airport in Norman, Oklahoma, and chair of the Policy Board of the U.S. Contract Tower Association (USCTA), an affiliated organization of the American Association of Airport Executives (AAAE). AAAE represents the men and women who manage nearly 900 air carrier, reliever and general aviation airports nationwide. AAAE created the USCTA in 1996 to represent the FAA Contract Tower Program from the perspective of public airport officials. Also, I currently serve on the AAAE Board of Directors and was an air traffic controller in the U.S. military early in my aviation career.

Our partnership with FAA on the contract tower program is exemplified by AAAE’s/USTCA’s mission statement -- ***“The Government/Industry Partnership Dedicated to Air Traffic Safety.”*** And, in today’s challenging economic environment, we might also add ***“The Government/Industry Partnership Dedicated to Jobs and Economic Growth.”***

We would like to begin by thanking this subcommittee for including provisions in the recently enacted FAA reauthorization bill that enhance the contract tower program. Your support is critical to the continuation of a program that is vitally important to aviation safety, job creation, and economic development in our country, and all of our airport members are very grateful for your assistance.

Contract Tower Benefit/Cost Calculations Under Review

Before we offer our thoughts on the many benefits of the contract tower program, we want to raise a flag of caution about one current issue. Potential changes to FAA's benefit/cost (B/C) analysis that determines participation in the program have caused concern in the airport and user community. We are encouraged by FAA's stated desire to work with the industry in a collaboratively, balanced, fair and transparent manner to resolve this issue. And we hope FAA stays on that path to avoid changes to the program that would jeopardize air traffic safety, economic growth and jobs across the country.

We need to make sure that updated B/C information for the contract towers takes fully into account the broad array of significant benefits the program provides to individual communities and to the nation as a whole in terms of enhanced safety, cost savings, economic development and other factors. This program is not about black and white numbers – it is about what's in the best interest of advancing aviation safety throughout the nation.

AAAE and USCTA are working closely with FAA as the agency prepares to update the B/C analyses for all 250 contract towers. However, absent a collaborative, balanced and transparent approach by FAA, we are concerned these potential changes could potentially lead to closure many of the 250 contract towers across the country – a fact that alarms airport executives, general aviation operators, regional airlines and other stakeholders. Additionally, these changes could result in FAA shifting significant costs to local communities that have little, if any, ability to absorb additional shows in these challenging economic times.

Also, it is important to note that, just like our tower in Norman, airports with FAA contract towers already pay some of the total costs to operate and maintain the tower, including maintenance, utilities, janitorial and other expenses. Additionally, many of the recent non-federal towers added to the program over the past 10 to 15 years have provided substantial local and state funds to construct state-of-the-art towers. We believe we communities will continue to participate in the cost share program if the process is fair and transparent and has a balanced approach that gains buy-in from the stakeholders.

Max Westheimer Airport's FAA Contract Tower Experience

Next, I would like to start by describing how important this program is to Max Westheimer Airport. I also want to point out that we have another FAA contract tower just thirty minutes up the road at Wiley Post Airport in Oklahoma City.

Our contract tower operation is not unlike any of the other 249 participating airports across our country. Max Westheimer Airport, home to the University of Oklahoma, logs approximately 54,000 annual air traffic operations.

Our airport joined FAA's Contract Tower Program in 1991. The tower has never been staffed with FAA controllers. In 1941, the U.S. Navy acquired the University airport and invested \$4.5 million to develop the facility into a training center for U.S. Navy fliers. When the U.S. Navy returned the airfield and its improvements to the University in 1946, the control tower was closed. From that time until the University reopened the tower in 1982, U.S. Air Force controllers from Tinker Air Force Base in Oklahoma City occasionally would occasionally operate a mobile tower at Westheimer.

The presence of a control tower is vital to our community for economic growth, jobs and aviation safety. The University of Oklahoma has a vibrant flight-training program that generates as many as 200 flights a week during the summer and 240 flights per week in the spring and fall semesters. These students are in training for Private Pilot (entry level) to Airline Transport Pilot (very experienced with multi-engine and complex aircraft). The department of aviation has the capacity to add 100-plus flights per week.

Further, we are a reliever airport for Oklahoma City's Will Rogers Airport. Since we are located on the edge of a major metropolitan area, we receive a significant amount of corporate and general aviation aircraft. Business aviation traffic mix varies from single-engine and light twin-engine aircraft to business jets of all sizes up to a Gulfstream V's. The corporations that use these aircraft vary widely from retail to oil and gas businesses.

We also accommodate a mix of state and local law enforcement activity. The Oklahoma Highway Patrol bases four fixed-wing aircraft at our airport that are used for patrol and search and rescue operations. The highway patrol also has several helicopters. The Oklahoma Department of Public Safety bases a Beech King Air 350 at the airport that is used for executive transport of state officials, including the Governor.

The Oklahoma Bureau of Narcotics and Dangerous Drugs (OBND) uses Max Westheimer as its home base of operations for its aviation unit. Westheimer turns into a beehive of activity each summer when the OBND focuses its attention on central Oklahoma to shut down facilities that grow marijuana and house meth labs.

We also support medical emergency aircraft that transport persons with life-threatening conditions. Often we accommodate Angel Flights and aircraft carrying human organs to be used in transplants. Angel Flights transport patients needing to be taken to or from the heartland region for surgery, chemotherapy, dialysis and other treatments. Angel Flights also transport blood products for the Oklahoma Blood Institute and Red Cross in emergency situations.

Due to the University's involvement in major NCAA sporting events, we experience a diverse mix of traffic year-round for these events. Aircraft that move these athletes vary from lighter twins to heavier turbine-powered aircraft. In addition, media helicopters, pipeline patrol, military units flying fixed wing and helicopters, and active U.S. Air Force operations come and go daily.

The airport frequently receives letters of praise from our users. For example, Ken Carson, director of the Oklahoma University Department of Aviation, wrote that:

"I wanted to just take this time to acknowledge our partnerships and relationships here at Max Westheimer and what I believe to be your key roles in the successful execution of our education mission of our over 300 flight students each year -- additionally, to thank you for your steadfast participation and partnership in our department's "Operational Risk Management (ORM) = Safety" Safety Management System (SMS). I firmly believe it is through our participation along with the participation of our partners of airport management, OU Real Estate and OU Security Police, that our planned and responsive processes of participative and open communications within our SMS program proactively addresses risk mitigation before incidents and accidents happen. We may never know how many incidents were prevented with our working group and hazard ID processes, but one thing is certain, through our collective working group efforts of assessment, evaluation and taking management actions goes a great way towards improving our

training and operations. I am certain our collective efforts benefit our flying educational and your air traffic control missions. The results are tangible and real."

While it is difficult to project exactly what would happen to our airport if we didn't have an air traffic control (ATC) tower, I would speculate that without the presence of controllers providing for the "safe, orderly and expeditious flow of air traffic," the University's department of aviation would soon close and the diverse aviation programs I outlined earlier would be in jeopardy. Everything we do at the airport is focused on safety. I simply can't imagine the university continuing to support a flight training program in an unstable/unsafe air traffic environment. FAA and DOT constantly preach safety, safety, safety...and we're absolutely on board with that. Our objective, pure and simple, is to provide the safest ATC environment possible.

As do most of the airports in the contract tower program, our airport also supports the tower operations with local funds. Beyond paying monthly utility costs for the tower, repairs and maintenance, we have installed a new console in the tower, as well as new radio transmitters/receivers and antennas. We bought new carpeting, painted the tower cab inside and out, put in new shades, replaced two heat pumps and security cameras, and renovated the manager's office and training room. So even though FAA pays for controllers' costs to operate the tower, we provide significant local funding in partnership with FAA to provide first class air traffic control services to our aviation community.

FAA's Contract Tower Program Promotes Safety and is Cost-Effective for Taxpayers

FAA's Contract Tower Program, which began 30 years ago, has a proven successful track record by all measures. It provides for FAA to contract ATC services to the private sector at visual flight rule airports. The primary advantages of this program are enhanced safety, improved ATC services, significant cost savings to FAA and taxpayers, and economic growth and job creation in local communities. Today the program includes 250 airports in 46 states (234 in the fully funded program and 16 in the cost-share program; see attached list of all 250 FAA contract towers nationwide). FAA's Contract Tower Program is accurately described as one of FAA's most effective government/industry partnerships dedicated to aviation safety. It is a shining example of an industry-government alliance that really works for the taxpayers and traveling public. Airports in the program also have a superb working relationship with the contract tower program office in FAA's Air Traffic Organization, resulting in a highly effective partnership among FAA, airports, and the ATC contractors.

As a result of this 30-year government/industry partnership, the FAA Contract Tower Program: (1) enhances aviation safety at smaller airports that otherwise would not have a tower; (2) provides significant cost savings to FAA and taxpayers; (3) helps small airports with retaining and developing commercial air service and general aviation; (4) promotes economic development and sustains and creates jobs locally; and (5) consistently receives high marks for customer service from aviation users (pilots, airlines, FBOs, flight schools and corporate flight departments). The bottom line is that, absent this highly successful federal/industry partnership program, many local communities would not receive the significant safety benefits of ATC services. And, importantly, local economic growth and jobs would be severely impacted in cities across the country without the contact tower program.

The program has consistently enjoyed bipartisan support in Congress in recognition of the enhanced safety, improved air traffic control services, and FAA cost savings these towers provide – results that have been validated repeatedly by the Department of Transportation (DOT) Inspector General (IG) since the late 1990s.

Furthermore, the greater aviation community is very supportive of the program. In a letter earlier this year to leaders of the House and Senate appropriations committees, signed by AAAE/USCTA and a broad group of aviation associations, the groups urged Congress to provide full funding for the FAA Contract Tower Program in the Fiscal Year 2013 DOT/FAA appropriations bill.

Signers of these letters were AAAE/U.S. Contract Tower Association, Aircraft Owners and Pilots Association, Regional Airline Association, General Aviation Manufacturers Association, National Business Aviation Association, Air Carrier Association of America, Regional Air Cargo Carriers Association, Airports Council International-North America, National Association of State Aviation Officials, Air Traffic Control Association, National Air Transportation Association and Cargo Airline Association (see attached letter). The aviation community is also very concerned about potential devastating cuts to the program if the automatic budget sequester goes into effect on January 1. We urge Congress to make sure these cuts to a valuable ATC safety program do not occur.

The National Transportation Safety Board (NTSB) in 2011 added “General Aviation Safety” to its Most Wanted List of Transportation Safety Improvements. This is important since contract towers serve a large portion of general aviation traffic nationwide.

NTSB Chairman Deborah Hersman on June 19-20 this year convened a general aviation safety forum in Washington. “Each year, hundreds of people are killed in general aviation crashes, and thousands more are injured,” said Hersman. “Tragically, the circumstances leading to these accidents are often repeated over and over, year after year. If we are going to prevent future fatalities and injuries, these common causes must be addressed.”

NTSB has stressed that general aviation accident rates are stagnant. In a national air transportation system that needs to stay vigilant to reduce the accident rate, AAAE/USCTA believe that safety benefits provided by the FAA’s Contract Tower Program are not optional, but mandatory.

To illustrate the cost-effectiveness of the program to taxpayers, the 246 towers in the FAA Contract Tower Program in Fiscal Year 2011 handled approximately 28 percent of all U.S. tower operations (14.8 million operations), but accounted for just 14 percent (approximately \$133 million) of FAA’s overall budget allotted to air traffic control tower operations. In contrast, the 264 FAA-staffed towers that handled the remaining 72 percent of total tower operations (38.9 million operations), consumed 86 percent (approximately \$851 million) of the FAA’s budget dedicated to that purpose.

Also, of the 250 towers currently in the program, 136 were previously FAA-staffed VFR towers that were converted to the FAA Contract Tower Program in the 1990s, in large measure as part of Vice President Al Gore’s National Performance Review. Based on anticipated cost information from the DOT IG, if FAA were still staffing those 136 towers, the additional annual costs to taxpayers, based on fiscal year 2010 figures, would be approximately \$200 million, which is **\$50 million more** than the current budget to operate **all 250 current contract towers** across the entire country.

In addition to the unquestioned safety benefits the program provides, these numbers clearly highlight that the contract tower program is a great value to the American taxpayers and aviation users from a cost perspective.

Contract Tower Controllers Meet All FAA Safety, Training Standards

All FAA contract controllers are FAA-certified air traffic controllers who meet the identical training and operating standards as FAA controllers. The vast majority of federal contract controllers have FAA or military air traffic control experience.

FAA controls and oversees all aspects of the contract tower program, including operating procedures, staffing plans, certification and medical tests of contract controllers, security and facility evaluations. Equally important, federal contract towers operate together with FAA-staffed facilities throughout the country as part of a unified national air traffic control system.

It should also be noted that many FAA contract towers are represented by the National Air Traffic Controllers Association (NATCA). USCTA continues to have an open and positive dialogue with NATCA and cooperates with NATCA on ways contract towers and FAA-staffed towers can work together effectively and efficiently for the benefit of the traveling public. There is a clear role for both FAA-staffed towers and contract towers in the nation's air transportation system.

Contract Towers Serve a Variety of Aviation Operations

Contract towers operate together with FAA-staffed facilities throughout the country as part of a unified national air traffic control system and serve a wide variety of aviation users. For instance, many contract towers also handle significant air carrier operations. These include Kona and Lihue in Hawaii; Bethel, Kenai, and Kodiak in Alaska; Northwest Arkansas Regional Airport; Appleton, Wisconsin; Phoenix-Mesa Gateway, Flagstaff and Bullhead City in Arizona; San Luis Obispo, Redding and Santa Maria in California; Redmond and Medford in Oregon; Stewart, New York; Branson and Columbia in Missouri; Latrobe, Pennsylvania; Lewisburg, West Virginia; Bloomington and Marion in Illinois; Hyannis, Massachusetts; Charlottesville, Virginia; Key West, Panama City, Gainesville, and Melbourne in Florida; Bozeman, Missoula, and Kalispell in Montana; Hailey, Lewiston, and Idaho Falls in Idaho; Harlingen, Laredo, and Brownsville in Texas; Eagle and Grand Junction in Colorado; Jackson Hole and Cheyenne in Wyoming, Rapid City, South Dakota; St. Croix; and even Guam.

Additionally, many contract towers across the country provide the only link a rural community has to the national transportation system. Other towers serve as busy reliever airports and are vital to the movement of general aviation traffic in major metropolitan areas such as Chandler, Goodyear and Glendale in Phoenix; North Perry in Ft. Lauderdale; Opa Locka in Miami; Ryan Field in Tucson; Brown Field in San Diego; Whitman in Los Angeles; Arlington, McKinney, Grand Prairie and Spinks in Dallas; Martin State Airport in Baltimore; Timmerman in Milwaukee; Fulton County in Atlanta; Burke Lakefront in Cleveland; Waukegan in Chicago; Troutdale in Portland, Oregon; Lunken Field in Cincinnati, and Anoka in Minneapolis.

Without FAA's Contract Tower Program, many American communities would not enjoy the safety and economic development benefits provided by air traffic control towers. Further, since many insurance policies require that businesses with flight departments only operate into towered airports, the loss of the contract tower program would be highly detrimental to economic development in many communities.

Contract Towers are Critical to National Security/Defense

The U.S. military is a long-time advocate and user of FAA contract control towers. Since the 1980s, the U.S. Army, U.S. Air Force, U.S. Navy and Air National Guard have recognized contract ATC as a cost-effective and reliable solution.

Among the airports with extensive military operations are:

- Cecil Field, Florida, works primarily with the Navy out of Jacksonville and the north Florida;
- Mobile Downtown, Alabama, works with transient military operations from North Florida and Southern Georgia, Alabama and Mississippi;
- Millington, Tennessee, works primarily with Navy operations;
- Dothan, Alabama, works with Army aircraft from Cairns AAF;
- Aguadilla, Puerto Rico, works with U.S. Coast Guard aircraft stationed at Aguadilla;
- Golden Triangle, Mississippi, works with Columbus Air Force Base aircraft;
- Enid, Oklahoma, works with Vance Air Force Base aircraft and is located on the base;
- Stillwater, Oklahoma, works with Vance Air Force Base;
- Lawton, Oklahoma, works with Ft. Sill AAF aircraft and is located adjacent to the base;
- Victoria, Texas, works with Navy Corpus Christi aircraft;
- San Angelo, Texas, works with aircraft from Navy Corpus and from Randolph Air Force Base;
- Topeka Forbes Airport works with Air Force Reserve KC-135 Tanker Squadron;
- New Century Air Center works with Kansas National Guard CH-47 Squadron;
- Battle Creek, Michigan, works with Air National Guard C-21s;
- Martin State Airport, Maryland, works with Air National Guard A-10s;
- Stewart Airport, New York, works with Air National Guard C-17s, and
- Barnes-Westfield, Connecticut, works with Air National Guard F-15s.

Looking Ahead —Together

Airports that participate in FAA's Contract Tower Program are important contributors to the economic growth of their respective communities. They provide the vital elements of safety, economic stimulus and dependability to vast segments of the American population that otherwise would not have the opportunity to expand their business and travel needs. In an increasingly global marketplace, we cannot afford to take a step backward. Our communities desire and deserve the benefits that FAA contract towers provide. We are encouraged by the successful and highly effective partnership that airports, contract controllers, the ATC contractors, and FAA have developed over the past three decades, and we urge Congress to continue its critical support of this program.

Thank you very much for your time and I would be happy to answer any questions at this time.

FAA Contract Tower List
as of May 11, 2012

<u>Airport Name</u>	<u>State</u>	<u>Airport Name</u>	<u>State</u>
KODIAK	AK	NAPLES	FL
KING SALMON	AK	BOCA RATON	FL
BETHEL	AK	JACKSONVILLE/CRAIG	FL
KENAI	AK	PANAMA CITY/BAY COUNTY	FL
BROOKLEY	AL	NEW SMYRNA BEACH MUNI. ARPT	FL
DOTHAN	AL	KEY WEST	FL
TUSCALOOSA MUNICIPAL	AL	PAGE FIELD	FL
SPRINGDALE MUNICIPAL *	AR	GAINESVILLE	FL
FAYETTEVILLE	AR	HOLLYWOOD/NORTH PERRY	FL
ROGERS MUNICIPAL-CARTER FLD *	AR	KISSIMMEE MUNICIPAL	FL
TEXARKANA MUNI/WEBB FLD	AR	LAKELAND MUNICIPAL	FL
NORTHWEST ARKANSAS REGIONAL	AR	LEESBURG REGIONAL	FL
CHANDLER	AZ	MELBOURNE	FL
FLAGSTAFF PULLIAM	AZ	OCALA AIRPORT	FL
GLENDALE	AZ	ORMOND BEACH MUNICIPAL	FL
GOODYEAR	AZ	OPA LOCKA	FL
LAUGHLIN INTERNATIONAL	AZ	CHARLOTTE COUNTY AIRPORT	FL
WILLIAMS GATEWAY	AZ	POMPANO BEACH	FL
RYAN FIELD	AZ	ST. AUGUSTINE	FL
CHICO MUNICIPAL	CA	ALBERT WHITTED	FL
FULLERTON	CA	STUART/WHITHAM	FL
HAWTHORNE	CA	TITUSVILLE/COCOA	FL
CASTLE	CA	CECIL FIELD	FL
MATHER	CA	FLAGLER COUNTY AIRPORT	FL
MODESTO	CA	SW GEORGIA/ALBANY-DOUGHERTY	GA
OXNARD	CA	ATHENS MUNICIPAL	GA
PALMDALE	CA	FULTON COUNTY	GA
RIVERSIDE	CA	GWINNETT COUNTY	GA
REDDING	CA	MACON	GA
RAMONA	CA	MC COLLUM	GA
SACRAMENTO EXECUTIVE	CA	AGANA, GUAM	GU
SAN LUIS OBISPO	CA	KALAELOA (JOHN ROGERS FIELD)	HI
SAN DIEGO BROWN FIELD	CA	KEAHOLE-KONA	HI
SANTA MARIA	CA	LIHUE	HI
SALINAS MUNICIPAL	CA	MOLOKAI	HI
SAN CARLOS	CA	DUBUQUE	IA
VICTORVILLE	CA	IDAHO FALLS	ID
WHITEMAN	CA	LEWISTON-NEZ PERCE COUNTY	ID
WILLIAM J.FOX/LANCASTER	CA	POCATELLO MUNICIPAL	ID
EAGLE COUNTY	CO	FRIEDMAN MEMORIAL / HAILEY	ID
GRAND JUNCTION	CO	ST LOUIS REGIONAL	IL
FRONT RANGE	CO	BLOOMINGTON/NORMAL	IL
BRIDGEPORT	CT	DECATUR	IL
DANBURY MUNICIPAL	CT	SO. ILLINOIS/CARBONDALE	IL
HARTFORD-BRAINARD	CT	WILLIAMSON COUNTY *	IL
GROTON-NEW LONDON	CT	WAUKEGAN REGIONAL	IL
TWEED-NEW HAVEN	CT	COLUMBUS MUNICIPAL	IN
WATERBURY	CT	MONROE COUNTY/BLOOMINGTON *	IN

FAA Contract Tower List
as of May 11, 2012

<u>Airport Name</u>	<u>State</u>	<u>Airport Name</u>	<u>State</u>
GARY REGIONAL	IN	OLIVE BRANCH	MS
MUNCIE/DELAWARE COUNTY *	IN	TUPELO REGIONAL	MS
FORBES FIELD	KS	GALLATIN FIELD/BOZEMAN	MT
GARDEN CITY REGIONAL AIRPORT *	KS	KALISPELL/GLACIER PARK	MT
HUTCHINSON MUNICIPAL	KS	MISSOULA	MT
NEW CENTURY	KS	NEW BERN	NC
MANHATTAN REGIONAL	KS	HICKORY	NC
JOHNSON COUNTY EXECUTIVE	KS	SMITH REYNOLDS (WINSTON SALEM)	NC
SALINA MUNICIPAL	KS	KINSTON	NC
PHILIP BILLARD MUNICIPAL	KS	CONCORD	NC
OWENSBORO/DAVISS COUNTY	KY	MINOT	ND
BARKLEY REGIONAL	KY	CENTRAL NEBRASKA/GRD ISLAND *	NE
ALEXANDRIA INTERNATIONAL	LA	BOIRE FIELD/NASHUA	NH
ACADIANA REGIONAL	LA	LEBANON MUNICIPAL	NH
CHENNAULT	LA	TRENTON	NJ
SHREVEPORT-DT	LA	DOUBLE EAGLE II	NM
HOUMA TERREBORNE	LA	FARMINGTON MUNICIPAL	NM
BARNES MUNICIPAL	MA	LEA COUNTY/HOBBS *	NM
BEVERLY	MA	SANTA FE COUNTY MUNICIPAL	NM
NEW BEDFORD	MA	HENDERSON	NV
HYANNIS	MA	NIAGARA FALLS	NY
LAWRENCE	MA	TOMPKINS COUNTY	NY
MARTHA'S VINEYARD	MA	ROME-GRIFFISS	NY
WORCESTER	MA	STEWART	NY
NORWOOD	MA	FRANCIS F. GABRESKI	NY
EASTON	MD	BURKE LAKEFRONT	OH
FREDERICK MUNICIPAL	MD	CUYAHOGA COUNTY	OH
WASHINGTON CO. REG'L/HAGERSTN	MD	CINCINNATI MUNI/LUNKEN	OH
MARTIN STATE	MD	OHIO STATE UNIVERSITY	OH
SALISBURY-WICOMICO COUNTY	MD	COLUMBUS AIRPORT (Bolton Field)	OH
BATTLE CREEK	MI	ARDMORE MUNICIPAL *	OK
DETROIT CITY	MI	LAWTON MUNICIPAL	OK
JACKSON *	MI	UNIV OF OKLAHOMA/WESTHEIMER	OK
SAWYER GWINN	MI	WILEY POST	OK
ANOKA	MN	STILLWATER	OK
ST. CLOUD REGIONAL	MN	ENID WOODRING MUNI	OK
BRANSON AIRPORT	MO	KLAMATH FALLS	OR
COLUMBIA	MO	MEDFORD	OR
JEFFERSON CITY MEMORIAL *	MO	SOUTHWEST OREGON REGIONAL	OR
JOPLIN REGIONAL *	MO	PENDLETON MUNICIPAL	OR
ROSECRANS MEM'L/ST. JOSEPH	MO	REDMOND	OR
SAIPAN INTERNATIONAL	MP	MCNARY FIELD	OR
GREENVILLE MUNICIPAL	MS	TROUTDALE	OR
GOLDEN TRIANGLE REGIONAL AIRPORT	MS	CAPITOL CITY	PA
HAWKINS FIELD	MS	WILLIAMSPORT/LYCOMING CO. *	PA
STENNIS	MS	ARNOLD PALMER REGIONAL	PA
MERIDIAN / KEY FIELD	MS	LANCASTER	PA
		UNIVERSITY PARK	PA

FAA Contract Tower List
as of May 11, 2012

<u>Airport Name</u>	<u>State</u>	<u>Airport Name</u>	<u>State</u>
RAFAEL HERNANDEZ (AQUADILLA)	PR	ROCK COUNTY	WI
ISLA GRANDE	PR	LA CROSSE	WI
GRAND STRAND/MYRTLE BEACH	SC	TIMMERMAN	WI
GREENVILLE DOWNTOWN	SC	WITTMAN REGIONAL	WI
DONALDSON CENTER	SC	WAUKESHA COUNTY	WI
HILTON HEAD AIRPORT	SC	WHEELING OHIO COUNTY	WV
RAPID CITY REGIONAL	SD	MORGANTOWN	WV
MCKELLER-SIPES	TN	PARKERSBURG/ WOOD COUNTY	WV
SMYRNA	TN	GREENBRIAR VALLEY	WV
MILLINGTON	TN	CHEYENNE	WY
NEW BRAUNFELS MUNICIPAL	TX	JACKSON HOLE	WY
BROWNSVILLE INTL	TX		
EASTERWOOD	TX		
WACO	TX		
LONESTAR EXECUTIVE AIRPORT	TX	Total FAA Contract Towers (250)	
DENTON MUNICIPAL	TX	* Cost Share Facility	
FORT WORTH-SPINKS *	TX		
(GALVESTON) SCHOLES INT'L	TX		
GRAND PRAIRIE *	TX		
ARLINGTON MUNICIPAL	TX		
GEORGETOWN	TX		
RIO GRAND VALLEY (HARLINGEN)	TX		
SAN MARCOS	TX		
LAREDO INT'L	TX		
MCALLEN	TX		
REDBIRD	TX		
SAN ANGELO/MATHIS FIELD	TX		
SUGARLAND	TX		
STINSON MUNICIPAL	TX		
MCKINNEY MUNICIPAL	TX		
TYLER	TX		
VICTORIA	TX		
OGDEN-HINCKLEY MUNICIPAL	UT		
PROVO MUNICIPAL	UT		
CHARLOTTESVILLE-ALBEMARLE	VA		
LYNCHBURG	VA		
HENRY E. ROHLSEN AIRPORT	VI		
WALLA WALLA REGIONAL *	WA		
BELLINGHAM INTL	WA		
OLYMPIA	WA		
RENTON	WA		
FELTS FIELD	WA		
TACOMA NARROWS	WA		
YAKIMA	WA		
APPLETON	WI		
CENTRAL WISCONSIN	WI		
CHIPPEWA VALLEY (EAU CLAIRE)	WI		
KENOSHA MUNI	WI		

March 16, 2012

The Honorable Harold Rogers
Chairman
House Appropriations Committee
2406 RHOB
U.S. House of Representatives
Washington, DC 20515
Fax 202/225-0940

Similar letter sent to Congressmen Latham,
Dicks and Olver, and Senators Inouye, Murray,
Cochran and Collins

Dear Chairman Rogers:

As Congress begins work on the Department of Transportation/Federal Aviation Administration (FAA) fiscal year 2013 appropriations bill, the organizations listed below urge you to support funding of \$136.1 million for the regular FAA Contract Tower Program, as well as an additional \$10.35 million authorized for the continuation of the contract tower cost-sharing program. Full funding of the contract tower program will permit continuation of this important FAA safety program and allow additional non-towered airports to receive the vital safety benefits of a control tower.

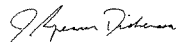
The FAA Contract Tower Program has provided cost-effective and essential air traffic safety services since 1982. Currently, 249 smaller airports in 46 states participate in the program, including two in Kentucky. Together these 249 towers handle approximately 28 percent of all air traffic control tower (ATCT) aircraft operations in the U.S. but account for just 14 percent of FAA's overall budget allotted to total ATCT tower operations. Most importantly, the safety and efficiency record of the FAA Contract Tower Program has been validated numerous times by the DOT Inspector General (IG) and FAA safety audits, as well as by the National Transportation Safety Board.

All federal contract controllers are FAA-certified air traffic controllers who meet the identical training and operating standards as FAA-employed controllers. The vast majority of federal contract controllers have FAA or military air traffic control experience. FAA controls and oversees all aspects of the federal contract tower program, including operating procedures, staffing plans, certification and medical tests of contract controllers, security and facility evaluations. Moreover, federal contract towers operate together with FAA-staffed facilities throughout the country as part of a unified national air traffic control system.

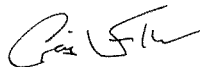
As a result of this 30-year government/industry partnership, the FAA Contract Tower Program: (1) enhances aviation safety at smaller airports that otherwise would not have a tower; (2) provides significant cost savings to FAA and taxpayers; (3) helps small airports with retaining and developing commercial air service and general aviation; (4) promotes economic development and creates jobs locally; and (5) consistently receives high marks for customer service from aviation users and pilots. The bottom line is that, absent this highly successful federal program, many local communities and smaller airports would not receive the significant safety benefits of ATC services.

We thank you for your continued support of this important ATC safety program and look forward to working with you and your staff to ensure its future success.

Sincerely yours,



J. Spencer Dickerson
Senior Executive Vice President
American Association of Airport Executives



Craig L. Fuller
President and CEO
Aircraft Owners and Pilots Association

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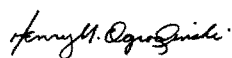
Letter to Chairman Rogers
Page 2
March 16, 2012



Roger Cohen
President
Regional Airline Association



Ed Bolen
President & CEO
National Business Aviation Association



Henry M. Ogradzinski
President
National Association of State Aviation Officials



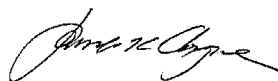
Greg Principato
President
Airports Council International - NA



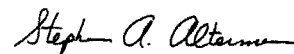
Peter J. Bunce
President and CEO
General Aviation Manufacturers Association



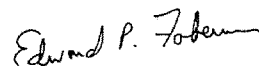
Pete Dumont
President
Air Traffic Control Association



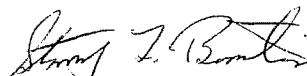
James K. Coyne
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National Air Transportation Association



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Cargo Airline Association



Edward P. Faberman
Executive Director
Air Carrier Association of America



Stanley Bernstein
President
Regional Air Cargo Carriers Association

National Air Traffic Controllers Association
AFL-CIO



Testimony of
Patricia Gilbert, Executive Vice President
National Air Traffic Controllers Association

Before the
House Transportation and Infrastructure
Subcommittee on Aviation

July 18, 2012

“A Review of the
FAA’s Contract Tower Program”

INTRODUCTION

The National Air Traffic Controllers Association (NATCA) is the exclusive representative of over 15,200 air traffic controllers serving the Federal Aviation Administration (FAA), the Department of Defense (DOD) and the private sector. In addition, NATCA represents FAA's Alaska flight service specialists and approximately 1,200 FAA engineers, 600 traffic management coordinators, 500 aircraft certification professionals, agency operational support staff, regional personnel from FAA's logistics, budget, finance and computer specialist divisions, as well as agency occupational health specialists, nurses and medical program specialists. NATCA also represents air traffic controllers at 63 towers that are part of the Federal Contract Tower Program (FCT).

Air traffic controllers, whether they work at private or FAA facilities, are dedicated to ensuring that our National Airspace System (NAS) is the safest and most efficient in the world. In order to maintain that safety and efficiency, our controllers work to modernize the NAS, promote new technology, and improve safety procedures. We have professional controllers involved in nearly every modernization and NextGen related program on which the FAA is currently working. Controller skills are put to work every day as they handle an impressive volume of flights – air traffic controllers monitor takeoff and landing for more than 70,000 flights each day, safely moving nearly two million passengers through our skies daily. Air traffic controllers handle these flights in the busiest and most complex airspace in the world with roughly 5,000 planes in the sky at any given moment.

EXECUTIVE SUMMARY

As the representative of air traffic controllers at 63 contract towers, NATCA is in a unique position to offer an objective assessment of the Federal Contract Tower program (FCT) and to evaluate the similarities and differences between FAA and contract towers. NATCA's goal in this testimony is to show that comparing FAA towers and contract towers is problematic because the two programs are significantly different. Any discussion comparing the FCT program to FAA towers needs to be reviewed carefully. Additionally, NATCA is offering recommendations that we believe will make contract towers safer and provide a better working environment for the air traffic controllers who staff those towers.

To be clear, NATCA supports the cost share component of the FCT program because it enables local communities that couldn't otherwise support an air traffic control tower to reap the economic benefits aviation brings. NATCA also supports the fact that the contract tower program allows for the building of a new tower where one does not already exist and there is not an FAA presence in the airport. NATCA does not support the expansion of the FCT program to existing FAA towers. By expansion, we mean the transfer or conversion of FAA towers into the FCT program.

There is a fundamental difference between an FAA tower and a contract tower. The FAA model was built on the premise of redundancy to prioritize safety above all, whereas a contract tower has incentive to prioritize the bottom line. NATCA is not criticizing the fact that profit margins are a factor, but we must keep this reality in mind. In addition to the different motivations, there

exists a stark difference between a contract tower and a FAA tower's support systems, including equipment and facility maintenance and staffing.

An FAA tower prioritizes safety and relies on redundancy as key to maintaining a safe and efficient air traffic system. Where FAA towers rely on redundancy, contract towers lack redundancy, frequently relying on single controller operation for extended lengths of time, even during busy periods. The FAA requires two controllers on shift. Contract towers, are not bound by that regulation and are free to, and frequently do, staff shifts with only one controller.

It is NATCA's position that there is a fundamental flaw in comparing contract towers to FAA towers in terms of safety as defined by the number of safety incidents. The flaw in any comparison derives from the fact that safety incidents, which include operational errors, operational deviations, and runway incursions, are unevenly reported – the FAA has moved to a true safety culture, where all controllers and employees are encouraged to report all safety issues, including errors, while contract towers are driven by a punitive culture that discourages controllers and their supervisors from reporting errors. NATCA believes that contract towers are understaffed, have less support for their facilities and equipment, and provide insufficient training for their controllers. This testimony will outline each area and describe how FAA towers differ from contract towers.

FAA TOWER AND CONTRACT TOWERS: AN APPLES-TO-APPLES COMPARISON IS FLAWED DUE TO FUNDAMENTAL DIFFERENCES BETWEEN THE TWO.

Contract towers are inherently different from FAA towers, and these differences make an apples-to-apples comparison impossible. The differences range from staffing standards and equipment minimums to training and safety. Contract towers operate with fewer resources and support, and different challenges. We will outline these significant differences below in order to provide the Committee with a more nuanced explanation of why a fair comparison between contract and FAA towers is not possible.

Measuring Safety

In 2003 the Government Accountability Office (GAO) stated that “the determination of real differences in the rate of operational errors (OEs) between different types of air traffic control facilities is difficult, and comparisons of operational error rates alone are not sufficient to draw conclusions about the relative safety records of air traffic facilities.” The GAO noted that operational error data is never complete and it is impossible to determine if a facility has under-reported errors. In addition, they note that in order to make a valid comparison between facilities, a number of factors that affect the rate of operational errors should be accounted for, such as the traffic density, number of flights, age and experience of the controllers, and weather conditions when the error occurred. Without that data, no comparison is valid.

NATCA continues to agree with the GAO's assessment. A comparison of safety records between FAA and contract towers is fundamentally flawed because the two have very different safety environments, making it impossible to compare safety incidents between the two. The FAA has instituted a safety culture that encourages reporting of all safety incidents, creating an environment where controllers report without fear of punitive measures. This leads to increased

reporting, allowing the FAA to collect as many data points as possible in order to proactively work to prevent and reduce errors, which has led to concrete changes. For example, the FAA has been able to identify and address areas where pilots and controllers do not have the same understanding of the specific weather deviation phraseology or related procedures. Previously, the reporting of these types of events was routinely treated punitively even though the procedures were not clearly articulated. In the current environment, reports concerning these events are being utilized to help reduce confusion between controllers and pilots through training and clarification of the procedures and phraseology.

On the other hand, contract towers still have a punitive environment where reporting errors could result in termination. This incentive to avoid reporting errors persists at contract towers. Conversely, the FAA has moved forward to proactively collect, record, and analyze as many safety incidents as possible.

Contract towers have several disincentives to reporting errors. The first, mentioned above, is that individual controllers may face punitive action, including termination, for reporting errors. The second is that the contractor companies themselves are interested in reducing the number of reported safety incidents because errors hurt them for their next competitive bid. In that sense, the privatization of towers and competitive bidding system actually creates a disincentive for reporting errors and allows competition and cost to supersede safety.

Due to this important difference in the safety culture, it is impossible to compare incidents at FAA and contract towers. NATCA believes that understanding this fundamental operating difference will help Congress understand why it is a flawed method to assess safety by comparing the number of safety incidents within the FAA and within contract towers.

Staffing Discrepancies

It is NATCA's position that the margin of safety is stretched thin when redundancy is reduced to bare bones staffing levels at contract towers. Because staffing amounts to the bulk of the operating cost at any facility, contract companies have an obvious incentive to reduce staff in order to reduce costs when competing for a contract.

The FAA sets the minimum staffing for all FAA towers and publishes staffing numbers each year. Contract tower staffing numbers are set between the FAA and the contract company that manages the tower. While those staffing numbers are considered confidential and not made available to the public, we know that many contract towers operate with three controllers and one manager, frequently relying on one controller per shift. Earlier this year at Rogers Tower (ROG) in Benton County, Arkansas, we saw the danger of staffing with only one controller when the only controller on duty had a heart attack, while on duty. He was able to call 911 for assistance, but had he not made it to the phone, nobody would have known that he was having a medical emergency.

With reduced staffing, controllers at contract towers are required to divide their time between controlling traffic and performing administrative and supervisory duties. This could include filling out Unsatisfactory Condition Reports (UCR) to report faulty equipment, or administrative duties such as entering traffic counts or changing voice tapes. FAA controllers are also required

to perform administrative tasks, but the FAA properly staffs each shift to allow two controllers to handle position relief and administrative duties, thus safely and efficiently allowing the administrative tasks to be completed.

Bare bones staffing also means that controllers at contract towers may be forced into longer time on position without a break or a meal due to single-controller staffing. Controllers at contract towers have reported regularly going three or four hours without a break. This single staffing also results in controllers working while ill because they may be subject to disciplinary action if they call in sick and no backup is available to fill their shift.

The FAA requires breaks away from the operation to allow controllers to regroup before continuing what can at times be mentally exhausting work. There is a scientific reason why the FAA limits controllers' time on position: separating traffic requires complex multi-tasking and absolute concentration that is impossible to maintain for long periods of time. The FAA, along with safety experts, has determined that after two hours of continuous work, controllers are at greater risk of making mistakes.

Equipment and Facility Discrepancies

A contract tower receives equipment and support from the FAA if the FAA, an airport authority, or local municipality owns the tower. Towers that are owned by other entities divide the equipment and support responsibilities between the local entities. Regardless of who owns the tower, the FAA sets a minimum equipment list for all contract towers, but mandates that they be supplied only in new towers. The existing towers have "a reasonable time" period in which to update equipment to meet the FAA's standards. The result is a split set of standards for FAA and contract towers.

The FAA has a list of the FCT minimum equipment requirements for all FCT towers. For example, in contract towers, only two radio frequencies are required and the emergency frequency is not one of the two. The required backup radios are frequently handheld and have limited range and clarity, not extending past a runway, as compared to a FAA backup radio, which has its own antenna and can have up to a 50-mile range.

Contract towers also suffer from sub-par equipment that is old, in poor condition or of poor quality. For example, at San Marcos Tower (HYI) in Texas, the voice recorders repeatedly failed to load tapes in the morning, leading to periods of time when no position recordings were made while the controllers attempted to get the equipment back on line. This forced controllers to deal with the recorders instead of focusing on controlling traffic. They also suffered a loss of backup recordings. At that same tower, controllers noted that their chairs were of poor quality and quickly began deteriorating. The process of getting new chairs from the sponsor organization is lengthy and costly. At Springdale Tower (ASG) in Arkansas, the mandatory headsets specified in the FAA's minimum equipment list are not available because the radios are so old that they do not accommodate headsets. As a result, controllers are required to listen to a radio speaker and are subject to interruptions and background noise.

The Springdale Tower also had an issue with their window shades, which exist to reduce glare and haze. An FAA inspection discovered the shades were unsatisfactory (controllers could not

see through them), and recommended they be replaced. However, the contractor and city argued over which entity should fund the replacement window shades and finally the city stepped up. The result was new shades, but the trade-off was that the city stopped providing bottled water for the controllers that for whom they had previously provided bottled water, due to the poor quality of tap water in the area. An FAA tower would have both adequate window shades and potable water.

These differences in equipment put controllers in the difficult position of having to control traffic with sub-par tools that add additional and unnecessary challenges to the already difficult and complex job of separating traffic. NATCA believes that failing to provide controllers with adequate equipment necessary for their job may be detrimental to the safety of the National Airspace System (NAS).

Maintenance of Equipment Discrepancies

The FCT program involves a relationship between the FAA, the tower and the local city or airport authority, which is responsible for equipment maintenance and facility conditions at non-FAA owned facilities. Due to this arrangement between the tower, sponsor and FAA, all three entities often disagree on who is responsible for the cost to repair facilities or equipment, leading to periods of reduced service, or non-existent service.

Unlike FAA facilities, contract towers have no on-call maintenance or technicians when equipment, computers or structures need repair. The equipment is generally purchased from a company across the country, and controllers may spend long periods of time on the phone with an off-site technician trying to learn how to reset a communications panel, reboot the voice recorders or fix malfunctions in the Automatic Terminal Information Service (ATIS), Automated Weather Observation System (AWOS, the weather reporting system), etc. In towers that are not owned by the FAA, controllers have an informal process for reporting maintenance requests: they call the FAA or the vendor and wait for a response. The FAA may respond in a day or two, but the vendor may take weeks to schedule a trip.

For example, the Mobile Downtown Tower (BFM) in Alabama did not have heat from December 2009 until March 2010. This was an issue of funding and it took time for the contract company to bid out the contract to fix the heat.

FAA-supported equipment, such as instrument approaches and some weather reporting systems, rely on technicians who must also schedule a trip to the contract facility to conduct routine maintenance or emergency assistance. Their travel time and scheduling difficulties create delays in getting systems back on line.

For example, BFM, a FAA-owned tower, has been without its wind reading indicators for at least eight years. The controllers there have filed Unsatisfactory Condition Reports (UCRs), but the FAA, who is responsible for this piece of equipment, has declined to spend the money to fix the equipment.

At Opa Locka Tower (OPF) in Florida the original 40-year-old tower was attached to an abandoned, condemned hanger owned by the county, and the process of replacing it with a new tower has taken over six years. Six years ago, the old tower failed county fire suppression

requirements and was deemed unsafe to occupy. When both the FAA and the county refused to correct the problem, the FAA provided a "temporary tower" located on a closed runway. The county that owns the airport has moved slowly to plan for, fund and contract-to-build a new tower. There have also been significant local politics at play in the bid for a new tower. In the meantime, for over six years controllers have been working in truly dangerous conditions in a temporary tower that amounts to a dilapidated RV on top of eight large shipping containers. Among many of its drawbacks, the low height and inadequate windows make it difficult to see some runways and taxiways. It is flimsy, it leaks, it is cramped inside and it is poorly located. Equipment failures occur frequently at the facility. While the FAA technically owns this temporary tower, the fact is that such a facility would not be tolerated if staffed with FAA personnel. It is only due to the exceptional dedication and skill of the controllers at this facility that the services are provided at all.

We know that FAA facilities suffer from equipment maintenance issues as well, so it may seem unfair to expect contract towers, with inferior maintenance support, to operate as smoothly as their FAA counterparts. The bottom line is the more they rely on outside entities to provide support and funding, the greater the risk of costly delays in service and the greater the risk of a safety event.

Training Discrepancies

One of the biggest differences between the FAA and contract tower training processes is the amount of time it takes to certify. Controllers at contract towers are required to train for a mere 30 days before becoming fully certified with the FAA. NATCA believes that the 30-day training period at contract towers is insufficient and results in controllers being given the minimum amount of preparation for working at their new tower. Thirty days is simply not sufficient to train a controller, regardless of experience.

NATCA has been informed that managers are instructed to terminate any controller who does not certify within the 30 days. Timing is important because when a contract tower hires a new controller, it means they are replacing someone. As noted earlier, most contract towers begin with bare bones staffing levels, so the loss of one controller is a great concern and training the replacement is of utmost urgency. This approach undermines safety.

The second issue with training at contract towers is that it is far less comprehensive. The FAA requires training teams and on-the-job training (OJT) by veteran controllers who devote a specific portion of their time to training new hires. The FAA also provides classroom instruction and simulation practice time. Contract towers simply do not have the staff or resources to offer this kind of comprehensive training.

NATCA supports a comprehensive training approach that fully prepares controllers for their position at a tower. Although the FAA's training process is not perfect either, it is far superior at preparing controller when compared to the process at contract towers.

CONCLUSION

NATCA understands that neither the FAA nor Congress is currently discussing expansion of the Federal Contract Tower program. Again, for the record, NATCA is opposed to expanding the

contract tower program. Contract towers have their place, but under the current system they push the responsible limit of the margin of safety with short staffing, unreliable equipment, and a lack of technical support for the equipment. As a result of understaffing, controllers are required to tend to administrative duties while on position, as well as the responsibility for on-the-spot maintenance of any equipment malfunctions. These distractions mean that contract towers are approaching the responsible limit of the margin of safety.

Recommendations

Based on our knowledge of conditions at contract towers, NATCA makes the following recommendations:

1. Staffing: Contract towers should be held to the same staffing standards as FAA towers.
2. Equipment: All contract towers should be required to meet the minimum equipment list standards comparable to FAA towers.
3. Equipment Maintenance: There should be a streamlined process for determining responsibility for maintenance of equipment at contract towers in order to avoid dangerous delays and chronically faulty equipment.
4. Safety: Contract towers should model the FAA's safety culture that allows controllers to report incidents without fear of punitive retaliation.
5. Training: Contract towers should be required to provide more comprehensive training to all contract tower controllers, including adequate tools and resources.

We appreciate the opportunity to appear before the Committee to provide our input on the Contract Tower Program. We also welcome opportunities to work with the FAA in a collaborative manner to provide the safest and most efficient air traffic control system in the world. Thank you.



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**Statement of Melissa K. Rudinger, Senior Vice President
Government Affairs for the Aircraft Owners and Pilots Association
Before the
Committee on Transportation and Infrastructure
Subcommittee on Aviation
U.S. House of Representatives
Concerning
A Review of the Federal Aviation Administration's Contract Tower Program
July 18, 2012**

Good morning. My name is Melissa Rudinger and I am the Senior Vice President of Government Affairs for the Aircraft Owners and Pilots Association (AOPA), a not-for-profit individual membership organization representing more than 400,000 members, which is nearly three-quarters of the nation's pilots. AOPA's mission is to effectively represent the interests of its members as aircraft owners and pilots. These interests include the economy, safety, utility and popularity of flight in General Aviation (GA) aircraft.

The United States has the safest and most efficient air transportation system in the world. With more than 170 million passengers flying in GA aircraft annually, the equivalent of one of the nation's major airlines, they contribute more than \$150 billion to the U.S. economic output, directly and indirectly, and employ nearly 1.3 million people whose collective annual earnings exceed \$53 billion.

I appreciate the opportunity to offer testimony at this hearing on the Federal Aviation Administration's (FAA) Contract Tower Program. The Contract Tower Program has provided cost-effective and essential air traffic safety services to General Aviation airports since 1982. Of the 250 FAA Contract Control Towers, 89 locations serve General Aviation exclusively (list

of locations is attached). Your continued support of this critical program is important to aviation safety and economic development in this great nation.

AOPA testimony on the FAA's Contract Tower Program makes three overarching points.

1. The FAA Contract Tower program greatly enhances safety of the air transportation system by providing vital air traffic service to communities that would not otherwise qualify for a federally funded control tower. There are 250 contract towers in 46 states and the safety statistics have consistently shown that these towers achieve equal to or better than safety statistics as FAA-staffed towers.
2. The FAA Contract Tower program is one of the most cost effective government/industry partnerships in the history of the agency. This program is vitally important to hundreds of General Aviation Airports and virtually every performance metric associated with the program has a proven track record of sustained cost savings, safety enhancements, efficiency gains, and economic value to local communities.
3. An air traffic control tower serves as an economic engine for airports – enhancing their value, which drives job creation, expansion of airport business and commerce. Maintaining funding for this program along with preserving current tower locations is vital to aviation safety and the economic viability of countless communities.

FAA Contract Control Towers Enhance Safety

Establishment of an FAA Contract Control Tower at a General Aviation airport enhances the safety of flight for all aircraft operating at the airport and in the surrounding airspace. For example, unlike non-towered airports, in order to operate into and out of an airport with a control tower, pilots are required to establish and maintain two-way radio communications with the Air Traffic Control (ATC) facility providing air traffic control services. The air traffic controllers bring situational awareness to the airport and ensure the safe, efficient and orderly flow of traffic to and from the airport. Additionally, airspace around airports with established control towers have higher weather minimums than Visual Flight Rules (VFR) aircraft are required to operate under, which increases the margin of safety for both Instrument Flight Rules (IFR) and VFR aircraft operating at the airport. In fact, there are many insurance policies that require businesses with flight departments to only operate into towered airports because of the safety benefits that a control tower brings to an airport. Without the Contract Tower Program, hundreds of communities would lose the significant safety benefits of air traffic services.

The safety record of the FAA Contract Tower Program has been validated numerous times by the Department of Transportation (DOT) Inspector General (IG), FAA safety audits, and the National Transportation Safety Board (NTSB). Contract towers have consistently achieved safety scores as good as or better than FAA staffed towers and AOPA anticipates that the pending IG audit of the FAA Contract Control Tower program will reaffirm this stellar safety record.

Federal contract towers operate together with FAA staffed facilities throughout the country as part of a unified national air traffic control system. Without this federal program that sets safety and training standards, certifies operations and monitors all aspects of contract tower facilities,

many of these towers would be forced to close - facilities that are critical to the safety of many local communities. Towers at locations such as Brown Field in San Diego, CA, Palm Coast/Flagler County, Ormond Beach in FL and the tower at Wittman Field in Oshkosh, WI all serve a very important role in enhancing safety at airports that host a high density of training and General Aviation activity. Other contract towers like Martin State Airport right here in our local area serve as a significant safety enhancement due to the broad mix of operations ranging from intensive flight training, local traffic operations and medical missions as well as hosting the 175th wing of the Maryland Air National Guard.

FAA Contract Tower Program is Cost Effective

Implemented in 1982, the FAA's Contract Tower Program is very successful no matter how you measure it. The program currently includes 250 airports in 46 states and can be accurately described as one of the most effective partnership programs in the history of the agency. Contract towers provide air traffic services to smaller General Aviation airports that would otherwise not have control towers at a significant cost savings over FAA staffed towers.

In FY2011, the 246 towers in the program handled 28 percent of all U.S. tower operations (14.8 million operations), but only accounted for 14 percent (approximately \$133 million) of the FAA's overall budget for air traffic control tower operations. In contrast, the 264 FAA staffed towers that handled the remaining 72 percent of total tower operations (38.9 million operations), used 86 percent (approximately \$851 million) of the FAA's budget dedicated to that purpose. These statistics illustrate the phenomenal cost-effectiveness of the Contract Control Tower Program.

Looking at it another way, the cost of operating a contract tower is roughly one- third of the cost of operating an FAA-staffed control tower with a comparable level of activity. These numbers clearly illustrates that the contract tower program is a great value to the American taxpayers and aviation users from a cost perspective.

The aviation community continues to express broad support for the program. In a letter earlier this year to leaders of the House and Senate appropriations committees, signed by AOPA and a broad group of aviation associations, the groups urged Congress to provide full funding for the FAA Contract Tower Program in the Fiscal Year 2013 DOT/FAA appropriations bill.

FAA Contract Tower Program Supports Strong Local Economies

Numerous studies have validated what we in General Aviation know to be true, that airports are economic engines for communities. We also know that the establishment of an air traffic control tower drives even greater economic development through the creation of jobs, supporting the growth of the airport businesses and other benefits. General Aviation airports produce identifiable economic benefits over and above the tax dollars spent on operating and maintaining the facilities, and benefits over the intangible benefits inherent with access to the nation's air transportation system.

A study of airport economics was recently completed by an independent international consulting firm for the Commonwealth of Virginia. The study clearly shows that General Aviation airports produce economic returns which far exceed the amounts spent to operate and maintain those facilities. The basis of this information was the U.S. Department of Commerce's Regional Input-Output Modeling System (RIMS II), which admittedly does not

encompass ALL economic benefits. The study also used a very conservative dollar multiplier of 2.8. Many experts believe that a multiplier of 4 or even 5 is realistic.

The Virginia study also concludes that:

- Each dollar spent by aviation and/or aviation-dependent businesses generates an additional \$1.52 in economic activity.
- Airport jobs are desirable, and the average airport wage was 40 percent higher than the average Virginia salary.
- For every job at the airport, nearly three are created in the visitor-related economy.
- Aviation-related businesses and their employees annually contribute \$105 million in local taxes.
- Aviation facilities attract new industry to the commonwealth.
- Many visitors arriving by air spend about \$70 per day in this geographical area.

The study also indicated airport construction projects are particularly beneficial because dollars spent by state and local governments are highly leveraged with federal and private funds. The multiplier effects of construction spending are especially strong because each dollar spent on construction generates an additional \$2 in economic activity. Together these two factors mean that airport development projects, like contract control towers, produce an impact on the State's economy that is more than 25 times the amount contributed by State and local funds.

Conclusion

The FAA's Contract Tower Program has a proven track record of providing cost-effective and essential air traffic safety services to General Aviation airports and provides strong support to local economies. On behalf of the members of AOPA, thank you for your leadership in examining the importance of the FAA's Contract Tower Program. Your continued support of this critical program is important to aviation safety and economic development in this great nation.

This concludes my testimony and I am happy to answer any questions.

ID	FAA Contract Tower-GA Only (89 total) <i>*Towers in the Cost-Sharing Program</i>	State	Zip	House MOC	Senator	Senator
1	ROG	AR	72756	Steve Womak (R-3rd-AR)	Mark Pryor (D)	John Boozman
2	ASG	AR	72764	Steve Womak (R-3rd-AR)	Mark Pryor (D)	John Boozman
3	CHD	AZ	85249	Jeff Flake (R-6th-AZ)	John McCain	Jon Kyl
4	GEU	AZ	85307	Trent Franks (R-2nd-AZ)	John McCain	Jon Kyl
5	GYR	AZ	85338	Trent Franks (R-2nd-AZ)	John McCain	Jon Kyl
6	RYN	AZ	85735	Raul Grijalva (D-7th-AZ)	John McCain	Jon Kyl
7	MER	CA	95301	Dennis Cardoza (D-18th-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
8	FUL	CA	92833	Edward Royce (R-40th-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
9	HHR	CA	90250	Maxine Waters (D-35th-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
10	RNM	CA	92065	Duncan Hunter (R-52nd-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
11	RAL	CA	92503	Ken Calvert (R-44nd-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
12	SAC	CA	95822	Doris Matsui (D-5th-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
13	SNS	CA	93905	Sam Farr (D-17th-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
14	SOL	CA	94070	Jackie Speier (D-12th-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
15	SNM	CA	92154	Bob Filner (D-51st-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
16	WHP	CA	91331	Howard Berman (D-28th-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
17	WJF	CA	93536	Kevin McCarthy (R-22nd-CA)	Dianne Feinstein (D)	Barbara Boxer (D)
18	FTG	CO	60137	Ed Perlmutter (D-7th-CO)	Mark Udall (D)	Michael Bennet (D)
19	DXR	CT	06810	Christopher Murphy (D-5th-CT)	Joseph Lieberman (I)	Richard Blumenthal (D)
20	HRD	CT	06114	John Larson (D-1st-CT)	Joseph Lieberman (I)	Richard Blumenthal (D)
21	OXO	CT	06478	James Himes (D-4th-CT)	Joseph Lieberman (I)	Richard Blumenthal (D)
22	SPG	FL	33701	Bill Young (R-10th-FL)	Bill Nelson (D)	Marco Rubio
23	BCT	FL	33431	Theodore Deutch (D-19th-FL)	Bill Nelson (D)	Marco Rubio
24	HWO	FL	33023	Frederica Wilson (D-17th-FL)	Bill Nelson (D)	Marco Rubio
25	ISM	FL	34741	Bill Posey (R-15th-FL)	Bill Nelson (D)	Marco Rubio
26	LEE	FL	34748	Richard Nugent (R-5th-FL)	Bill Nelson (D)	Marco Rubio
27	EVV	FL	32168	Sandy Adams (R-24th-FL)	Bill Nelson (D)	Marco Rubio
28	OPF	FL	33054	Frederica Wilson (D-17th-FL)	Bill Nelson (D)	Marco Rubio
29	OMN	FL	32174	John Mica (R-7th-FL)	Bill Nelson (D)	Marco Rubio
30	FMY	FL	33907	Connie Mack (R-14th-FL)	Bill Nelson (D)	Marco Rubio
31	XFL	FL	32164	John Mica (R-7th-FL)	Bill Nelson (D)	Marco Rubio
32	PMP	FL	33060	Allen West (R-22nd-FL)	Bill Nelson (D)	Marco Rubio
33	SUA	FL	34996	Thomas Rooney (R-16th-FL)	Bill Nelson (D)	Marco Rubio
34	FTY	GA	30336	John Lewis (D-5th-GA)	Saxby Chambliss	Johnny Isakson
35	LZU	GA	30045	Rob Woodall (R-7th-GA)	Saxby Chambliss	Johnny Isakson
36	RYY	GA	30144	Phil Gingrey (R-11th-GA)	Saxby Chambliss	Johnny Isakson
37	UGN	IL	60087	Joe Walsh (R-8th-IL)	Dick Durbin (D)	Mark Kirk
38	OJC	KS	66062	Kevin Yoder (R-3rd-KS)	Pat Roberts	Jerry Moran
39	IKD	KS	66061	Kevin Yoder (R-3rd-KS)	Pat Roberts	Jerry Moran
40	TOP	KS	66616	Lynn Jenkins (R-2nd-KS)	Pat Roberts	Jerry Moran
41	HUM	LA	70363	Jeff Landry (R-3rd-LA)	Mary Landrieu (D)	David Vitter

42 DTN	Shreveport Downtown	LA	71111 John Fleming (R-4th-LA)	Mary Landrieu (D)	David Vitter
43 BVY	Beverly	MA	01915 John Tierney (D-6th-MA)	John Kerry (D)	Scott Brown
44 LWM	Lawrence	MA	01845 John Tierney (D-6th-MA)	John Kerry (D)	Scott Brown
45 EWB	New Bedford	MA	02745 Barney Frank (D-4th-MA)	John Kerry (D)	Scott Brown
46 OWD	Norwood	MA	02082 Stephen Lynch (D-9th-MA)	John Kerry (D)	Scott Brown
47 ESN	Easton	MD	21601 Andy Harris (R-1st-MD)	Barbara Mikulski (D)	Ben Cardin (D)
48 MTN	Martin State (Baltimore)	MD	21220 C. A. Dutch Ruppersberger (D-2nd-MD)	Barbara Mikulski (D)	Ben Cardin (D)
49 DET	Detroit City	MI	48234 Hansen Clarke (D-13th-MI)	Carl Levin (D)	Debbie Stabenow (D)
50 JXN	*Jackson	MI	49202 Tim Walberg (R-7th-MI)	Carl Levin (D)	Debbie Stabenow (D)
51 ANE	Anoka (Minneapolis)	MN	55449 Michele Bachmann (R-6th-MN)	Amy Klobuchar (D)	Al Franken (D)
52 JEF	*Jefferson City	MO	65043 Blaine Luetkemeyer (R-9th-MO)	Clair McCaskill (D)	Roy Blunt
53 HKS	Hawkins Field (Jackson)	MS	39213 Bennie Thompson (D-2nd-MS)	Thad Cochran	Roger Wicker
54 OLV	Olive Branch	MS	38654 Alan Nunnelee (R-1st-MS)	Thad Cochran	Roger Wicker
55 ASH	Boire Field (Nashua)	NH	03063 Charlie Bass (R-2nd-NH)	Jeanne Shaheen (D)	Kelly Ayotte
56 AEG	Double Eagle II	NM	87121 Martin Heinrich (D-1st-NM)	Jeff Bingaman (D)	Tom Udall (D)
57 HOB	*Lea County/Hobbs	NM	88240 Stevan Pearce (R-2nd-NM)	Jeff Bingaman (D)	Tom Udall (D)
58 HND	Henderson (Las Vegas)	NV	89052 Joseph Heck (R-3rd-NV)	Harry Reid (D)	Dean Heller
59 TZR	Bolton Field (Columbus)	OH	43228 Steve Stivers (R-15th-OH)	Sherrod Brown (D)	Rob Portman
60 CGF	Cuyahoga Country (Cleveland)	OH	44143 Marcia Fudge (D-11th-OH)	Sherrod Brown (D)	Rob Portman
61 ADM	*Ardmore Municipal	OK	73401 Tom Cole (R-4th-OK)	James Inhofe	Tom Coburn
62 OGN	Univ. of Oklahoma/Westheimer	OK	73069 Tom Cole (R-4th-OK)	James Inhofe	Tom Coburn
63 PWA	Wiley Post	OK	73008 James Lankford (R-5th-OK)	James Inhofe	Tom Coburn
64 TTD	Troutdale (Portland)	OR	97060 Earl Blumenauer (D-3rd-OR)	Ron Wyden (D)	Jeff Merkley (D)
65 KXY	Capital City (Harrisburg)	PA	17070 Todd Russell Platts (R-19th-PA)	Bob Casey (D)	Pat Toomey
66 SIG	Isla Grande	PR	Pedro Pierluisi (D-PR)	N/A	N/A
67 BQN	Rafael Hernandez Airport	PR	Pedro Pierluisi (D-PR)	N/A	N/A
68 CRS	Grand Strand/Myrtle Beach	SC	29582 Tim Scott (R-1st-SC)	Lindsey Graham	Jim DeMint
69 GMU	Greenville Downtown	SC	29607 Trey Gowdy (R-4th-SC)	Lindsey Graham	Jim DeMint
70 GKY	Arlington Municipal	TX	76018 Joe Barton (R-6th-TX)	Kay Bailey Hutchison	John Cornyn
71 DTO	Denton Municipal	TX	76207 Michael Burgess (R-26-TX)	Kay Bailey Hutchison	John Cornyn
72 FWS	*Fort Worth-Spinks	TX	76028 Joe Barton (R-6th-TX)	Kay Bailey Hutchison	John Cornyn
73 GLS	Galveston	TX	77554 Ron Paul (R-14th-TX)	Kay Bailey Hutchison	John Cornyn
74 GTU	Georgetown	TX	78628 John Carter (R-31st-TX)	Kay Bailey Hutchison	John Cornyn
75 GPM	*Grand Prairie	TX	75052 Kenny Marchant (R-24th-TX)	Kay Bailey Hutchison	John Cornyn
76 CXO	Lone Star Executive (Conroe)	TX	77303 Kevin Brady (R-8th-TX)	Kay Bailey Hutchison	John Cornyn
77 TKI	McKinney Municipal	TX	75069 Sam Johnson (R-3rd-TX)	Kay Bailey Hutchison	John Cornyn
78 RBD	Redbird	TX	75237 Eddie Bernice Johnson (D-30th-TX)	Kay Bailey Hutchison	John Cornyn
79 HYI	San Marcos	TX	78656 Lloyd Doggett (D-25th-TX)	Kay Bailey Hutchison	John Cornyn
80 SSF	Stinson Municipal (San Antonio)	TX	78214 Francisco Canseco (R-23rd-TX)	Kay Bailey Hutchison	John Cornyn
81 SGR	Sugar Land	TX	77478 Pete Olson (R-22nd-TX)	Kay Bailey Hutchison	John Cornyn
82 SFF	Felts Field (Spokane)	WA	99212 Cathy McMorris Rodgers (R-5th-WA)	Patty Murray (D)	Maria Cantwell (D)
83 RNT	Renton	WA	98055 Adam Smith (D-9th-WA)	Patty Murray (D)	Maria Cantwell (D)
84 TIW	Tacoma Narrows	WA	98335 Norman Dicks (D-6th-WA)	Patty Murray (D)	Maria Cantwell (D)

85 ENW Kenosha Municipal
86 MWC Timmerman (Milwaukee)
87 UES Waukesha County Airport
88 OSH Wittman Regional (Oshkosh)
89 HLG Wheeling Ohio Co.

WI 53144 Paul Ryan (R-1st-WI)
WI 53225 Gwen Moore (D-4th-WI)
WI 53188 Jim Sensenbrenner (R-5th-WI)
WI 54902 Tom Petri (R-6th-WI)
WV 26003 David McKinley (R-1st-WV)

Herb Kohl (D) Ron Johnson
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 Alexandria, Virginia

July 30, 2012

The Honorable Thomas Petri
 Chairman
 Subcommittee on Aviation
 Committee on Transportation and Infrastructure
 U.S. House of Representatives
 2251 Rayburn House Office Building
 Washington, DC 20515

Dear Mr. Chairman:

On behalf of AAAE and the U.S. Contract Tower Association, thank you again for the opportunity to testify at the subcommittee's July 18 contract tower hearing. I would like to provide additional information on three items that were discussed during the hearing.

First, I would like to clarify an answer I gave to Congressman Lankford during the hearing. He asked whether an airport with a FAA contract tower was safer than having no tower at an airport. There are many airports that do not have control towers. Absence of a tower at these airports does not mean these facilities are unsafe. However, there absolutely is an increased level of safety where an operational tower is in place (FAA-staffed or contract) based on level and type of air traffic activity, as well as other local operational issues.

Second, I would like to reiterate that there is not a punitive culture in the contract controller environment that discourages reporting of operational errors. FAA contract tower (FCT) facilities operate in an environment in which employees are required to report safety deficiencies with confidence that management will be fair and responsive. FCT contractors implement and support the use of a non-punitive safety reporting system that promotes continual safety improvement through timely action and provides feedback to employees.

FCT contractors have a well-documented history of their non-punitive environments, which encourages reporting of all air traffic (AT) incidents. FCT controllers only face punitive action as a result of an AT incident if they intentionally do not report it or if gross negligence is involved. All three FCT companies have been in business for decades and, as a matter of self-preservation, must continually evaluate and refine their processes and procedures to promote safety and eliminate risks. They recognize that knowledge of mistakes made and awareness of hazards in the system are critical to their prevention efforts. For that reason, they adamantly encourage employees to report AT incidents and hazards before they result in accidents. FCT companies have a proven record of being very proactive and responsive to safety concerns.

Letter to Chairman Petri
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Finally, any assumption that contractors do not report operational incidents for fear that they will not win future contracts is not correct. There simply is not a direct or indirect relationship between the number of reported AT incidents and the ability of an FCT company to be competitive. The FAA awards FCT contracts through the evaluation of several factors, none of which involves a company's past history of reported AT incidents. Rather, the agency evaluates and awards contracts based on the company's Quality/Safety Assurance Plan, Staffing Plans, Contingency Plan, Training Plan, etc.

Thank you for your time and the opportunity to respond for the record.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter Strong".

Mr. Walter Strong, A.A.E.
Airport Administrator – Max Westheimer Airport, Norman, Oklahoma
Chair, U.S. Contract Tower Association Policy Board