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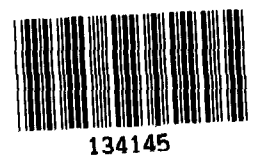
Testimony

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**AVIATION SAFETY:
Is Re-regulation Needed to Improve Aviation Safety**

Statement of
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Before the
Senate Committee on Commerce, Science, and Transportation



040231

Mr. Chairman and Members of the Committee:

We appreciate this opportunity to appear before you to discuss whether some form of "re-regulation" may be needed to assure that aviation is as safe as it could be. Over the past few years, GAO has evaluated many different factors that affect aviation safety. We have reviewed FAA's legal authority; examined the effect of deregulation on the airline industry; searched for safety indicators that could be trusted; evaluated how well FAA is carrying out its responsibilities for establishing and enforcing safety standards; and evaluated various aspects of FAA's acquisition and operation of the air traffic control system.

Our work has shown that deregulation presented FAA new challenges for maintaining aviation safety, and that FAA did not always meet the challenges as effectively as it could have. But it does not show that "re-regulation" is needed to improve aviation safety.

We have presented the results of many of our evaluations at past hearings of this committee.¹ These are some of the highlights.

-- FAA's role in aviation safety is defined in the Federal Aviation Act of 1958, and was unchanged by the economic deregulation that occurred about 20 years later. In deregulating the industry, the Congress emphasized that it did not deregulate safety. In addition, the Department of

¹See GAO/T-RCED-87-1, 87-16, 87-28.

Transportation retained authority for consumer protection, merger approval, and other regulatory matters after the Civil Aeronautics Board sunset.

- Deregulation led to a number of changes in the airline industry. Competition spawned lower fares, greater demand, and more air traffic. Freedom of entry generated new airlines and new service patterns. The competitive environment made it necessary for airlines to control costs more carefully. Deregulation's full effect, however, was obscured by other factors that affected aviation after 1978; specifically, slow economic growth and fuel price increases that persisted into the early 1980s, and flight restrictions following the 1981 air traffic controller's strike.
- The impact of deregulation has made the aviation industry more visible. Airlines have been entering and leaving the industry or changing the scope of their operations at an unprecedented rate. More air travellers, greater airline reliance upon hub-and-spoke operations, major changes in route structures, and mergers involving several major carriers have focused greater attention on the industry. Increasingly, the airlines have been criticized for flight delays, missed connections, lost baggage, and other problems.
- FAA statistics show that near mid-air collisions, runway incursions, and operational errors are up when compared

with past years, although we believe the data may not be completely reliable. FAA has established a program of intensive special inspections and levied well-publicized fines. However, the overall accident rate shows that U.S. airlines, as a whole, have become safer over the last 20 years, and have a lower accident rate than airlines in the rest of the world.

-- Much of our work shows that FAA did not respond to changes in the airline industry as effectively as it might have. For example, we found that FAA has not kept its safety standards up-to-date or assured that airlines followed the standards through its inspection program. We also found that FAA is not renewing its air traffic control technology as rapidly as it thought it would, and that the work forces that operate the system may be stretched thin.

For this hearing, we went back over all our recent work on aviation safety to see whether it suggested that DOT or FAA needed additional authority to respond to problems we had found or to improve aviation safety. None of our work suggests that more or different authority is needed to maintain safety. FAA can limit traffic if it needs to, can control the number and pace of operations to and from airports, and can establish whatever operating rules it believes are needed to maintain safety. It can increase its work forces, as needed, within the parameters established in the federal budget and appropriation process.

Further, DOT retains authority to assure that airlines are "fit" to provide service and to protect consumers against unfair practices.

We think FAA and DOT have plenty of opportunities to do their jobs better within the current structure, but we have not so far found any safety-related conditions that could not be corrected under current law.

This concludes my prepared statement. I will be happy to answer any questions you wish to ask.