



Highlights of Presentation

The Future Of US Aviation: Still Mired In The Middle Ages

a.k.a. Washington Bureaucracy

Presented To
The National Chamber Foundation
US Chamber of Commerce

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Opening Remarks

- There are good, dedicated people working in “the system”
- Controllers. Supervisors. Support Staff. Give them the appreciation they deserve. They’re the ones keeping it together...
- But “It” needs to be de-constructed, re-built, and re-managed. “It” is the FAA’s Air Traffic Organization - sorry, it is a failure. Proven time and again - *a failure*.
- Let’s stop deluding ourselves. The ATO may be “working hard.”
But it’s not getting the job done
- The ATO is the problem, not the victim of problems.



Constricting Commerce To The Needs of The FAA

- FAA/ATO is proud to have “stepped in” and forced airlines to fly less into O’Hare.
- That’s an admission of FAA failure and inept management
- Point: The FAA’s job is not to constrict the system to avoid delays.
- IT IS FAA’S JOB TO ENSURE THE ATC SYSTEM CAN MEET THE NEEDS OF THE NATION WITHOUT HAVING DELAYS. Here, they’ve failed.
- FAA needs to adjust to the nation’s air transportation needs. Not the other way around.



Sticking Fingers In The Same Socket

- Year 1994: Airlines losing \$5 billion annually due ATC inefficiencies & out-dated systems
- Year 2002: Most ATC upgrades behind schedule
- Year 2005: Falling further behind schedule
- Year 2006 & Beyond: Expect no changes...
- Because the core causes of the situation remain:
Inept planning, follow-up, direction
No Accountability



GAO Report On ATC: Damning

Key Findings From The 4/14/05 Government Accountability Office Study:

- The ATC system is in a survival mode: trying to keep up with yesterday. Not building for tomorrow.
- ATO is unable to manage complex upgrade programs.
- ATO has no idea of true number of ATC-related errors.
- Controllers overworked & understaffed - controllers are not being replaced.
- ATO has no idea of cost of hiring and training sufficient controllers. (!)
- Cost and labor accounting systems are lacking. (!)
- ATO cannot provide estimates for costs of upgrade implementation. (!)
- Most major ATC upgrade programs are behind schedule - by as much as a dozen years... and over costs, too.
- They're so delayed that some are obsolete by the time they're installed.



GAO Report - Other Points

The Findings Indicate That This ATO Wouldn't Make It Ten Minutes In Private Industry...

- Lack of clear plan.
- Lack of financial projections
- Inability to manage long term complex projects
- Lack of centralized control. Contractors duplicating employee functions.
- Airspace re-design “fragmented and diffused” (That’s nice.)
- Cost estimates are not reliable. FAA cannot estimate costs of implementing the 42 approved projects for FY 2004. (So, we don’t know if they are “under-funded” - and neither does the ATO.)



GAO Report

- A system in collapse: Controller displays locking up randomly. Weekly on average some places.
- Lack of monetary controls:
- Service contracts out of control
- Fence-jumping to contractors
- Attrition: Plan - cost unknown. Needs by location: unknown



GAO Report - OK, So What?

- Operational Errors - No idea how many. No measurement system. Cover-ups & Non-reporting.

Is this acceptable to the aviation industry?

- Major Acquisitions: Cost escalation of \$5.6 Billion.

Is this acceptable to the aviation industry?

- Delays of up to 12 years (!!), and even then programs are scaled back. Some technology is obsolete by installation time.

Is this acceptable to the aviation industry?



GAO Report

- “Incremental approaches” That’s just an acronym for inability to tackle big projects. They cannot manage large, complex projects.

Is this acceptable to the aviation industry?

- Major acquisitions are not under control. Cash needs not clearly identified.

How can an agency claim it is “under-funded” and under-staffed when it has no idea how much money projects will cost, and no idea how much cash it really needs?

This is NOT ACCEPTABLE.

The Air Traffic Organization is a continuing failure.

So, why does the industry meekly accept this?

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Bottom line conclusion:

- All important ATC upgrades continue to fall behind, and..
- There's no indication - other than promises heard in the past - that this will change.

**Needed: Management accountability for failure.
There is none today.**



What Needs To Be Done: Learn The Words: "Not Acceptable"

- We - people in aviation - owe it to the hard-working employees of the FAA to hold their management responsible for failure.
- Stop accepting promises. Demand results.
- Tear down the organizational structure that allegedly manages the ATC system. It's proven that it is incapable of doing the job.
- Set up clear, accountable standards for operations and for upgrade programs.
- Stop treating the FAA Administrator as some sort of omnipotent god that is not to be held accountable for failure.
- The GAO report findings are not new. Now it's time to say, "no more excuses. No more sham fixes." If the management of the FAA/ATO can't produce progress - fire them.



Final Point

If leaders in aviation don't begin demanding better from elected and appointed officials, we can expect only to see the US air transportation system continue decline in quality, quantity, and safety.

Up until now, the aviation industry has just accepted repeated false promises.

It's time to take the issue seriously.

Thank You.

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