

ating, not entirely, but in some respects here, and that is not healthy. If there may be differences in philosophy, then that is management's job to work with people so that they understand what that is and have confidence in it; and if there are differences, that they are treated and dealt with, rather than intimidating people or pushing them under the counter, and this seems to be one of the issues here.

Mr. MILLS. It is a training issue, largely, I believe.

Mr. OBERSTAR. We have a vote in progress, but there is time for further questions, and I will turn to Mr. Costello.

Mr. COSTELLO. Thank you, Mr. Chairman.

A question for all of our witnesses. Do any of you have evidence or reason to believe that the issues that have occurred at this CMO is occurring in other parts of the Country? Is this widespread or is it unique to this CMO? Mr. Boutris?

Mr. BOUTRIS. Well, sir, I cannot speak for the other offices because I don't have any experience with the other offices, but the observation that somebody can make, including our CMO, is if our ATOS databases are doing the job they are supposed to do, why do we have all these hundreds of airplanes taken out of service? In my opinion and belief—and I have lived it—management can control the outcome of the ATOS database.

If you are a principal and you send me out to do the job, I will come back with at least several noes, because no airline has all the procedures they are required to be there. So if I came back and put no in the database, then you, as a Principal, will have to do a risk analysis; you will have some red on your dashboard and you have to take action. If you send Inspector B out that is going to give you all the yeses, you can sit back and say my dashboard looks good. So you can manipulate the system and by that have the results you want. And I believe that what I am stating is the result, when you see all these airlines grounding airplanes, they are under ATOS also. Shouldn't the Principal have something on his dashboard saying, hey, we have something wrong here?

Mr. COSTELLO. The other members of the panel, do you have either evidence or reason to believe that this is happening at other CMOs? No?

Mr. COTTI. Mr. Costello, ATOS, or the Air Transportation Oversight System, is based on system safety principles, and those principles dictate that, in order to have appropriate safety measures in place or to have an appropriate level of safety, that you have to have controls in place and that, more than anything, you have to factor out the human being as much as possible from the equation because that is where a lot of the errors occur.

I think, in response to your question, what happened at the Southwest CMO, from my perspective, was unique in that it was so out of line—and I have been to a number of different offices around the Country—it certainly was unique, and it was gross as compared to some of the things I have seen elsewhere. But thinking in terms of system safety and the human element, this could have occurred in any office, because our current design is still pretty heavily dependent on the human being.

Mr. COSTELLO. Mr. Boutris, you specifically say in your testimony that you were told by Mr. Gawadzinski that you were not to enter information in the ATOS system. Is that correct?

Mr. BOUTRIS. That is correct, sir.

Mr. COSTELLO. Why do you think he told you that?

Mr. BOUTRIS. That was referencing the AD safety attribute inspection I had started and the one that Southwest had requested for me to be removed from. The first two inspections I did on two different dates—

Mr. COSTELLO. My question is, though, why do you think he told you not to enter the information—

Mr. BOUTRIS. Because, in my opinion, my supervisor knew that in a week from there I was going to be under investigation and, therefore, would be knocked from the database.

Mr. COSTELLO. Very good.

We have got a vote, so, very briefly, if you will keep your answers concise.

Each of you and the IG reviewed to two different camps, one loyal to Mr. Gawadzinski and the other to Mr. Mills. Was Mr. Stuckey and the Regional Office aware of these two loyalties and these two camps?

Mr. PETERS. Sir, I believe they were, and that is evident by the office audits that were conducted and the WEAT Team visits that were conducted during the past two years prior to the AD event. And I think Mr. Lambert's testimony that he briefed the Division Manager May 2nd of similar events, I know that in my security investigation I explained the divide in that as well, and I believe that he briefed the Division Management Team.

Mr. COSTELLO. Do either of you believe that this went up to Headquarters in Washington, that they had knowledge of the divide?

Mr. PETERS. I know that they did as far as mid-September they did, because that was the date that I contacted the T&I staff, and they had requested to speak to Mr. Ballough. So I can only say that date for sure.

Mr. COSTELLO. And that was in 2007, September of last year?

Mr. PETERS. Yes, sir.

Mr. COSTELLO. But you have no knowledge or no reason to believe that Headquarters knew about it before then?

Mr. PETERS. I don't.

Mr. COSTELLO. Mr. Boutris?

Mr. BOUTRIS. The only thing, as I stated earlier, sir, was that every time I went to my supervisor with non-compliance issues which were direct violations of the Federal regulations, I bring my manager in, Mr. Mills, and I will quote the regulation, I will present my findings, and my supervisor will state that my guidance was out of date. Well, we are talking about Federal regulations here, so he is telling me they were out of date. And he was talking to Mr. Ballough on a daily basis; we have him the ups and comings. So, to me, right there will say that he had communication with Mr. Ballough.

Mr. COSTELLO. The final question before I run out of time here, just so everyone understands the time line here,—we have the time line in front of us, but so everyone understands the time line—

when did you, Mr. Boutris or Mr. Peters, first raise the issue, your concerns that Southwest was out of compliance with AD? When was the first time you raised the concern?

Mr. BOUTRIS. Are you talking about the flying aircraft or with out of compliance with having the required procedures in place to manage the AD compliance?

Mr. COSTELLO. Both.

Mr. BOUTRIS. I started the process that Southwest Airlines did not have the proper procedures in place and that were required back in 2003. They accepted my findings and it took them a year to bring the engine AD compliance records into compliance with 121.380 14 CFR. In 2006, when I changed positions and I had the airframes and systems for the 700 aircraft, I found the same discrepancies, and that is when my supervisor did not want to send Southwest Airlines a letter. And after going to Mr. Mills and asking my supervisor we have to deal with it, he assigned me the inspection. That was the same inspection that Southwest Airlines requested my removal and that was the same inspection that Mr. Gawadzinski instructed me not to put the negative findings in the database.

Mr. COSTELLO. And can you explain for everyone the difference in the two letters, the letter that you wanted to write versus the letter you were directed to write?

Mr. BOUTRIS. Our guidance does not provide any information or does not really identify what the letter of concern is. This is something that some principals or supervisors or management come up with. You call it the letter of concern. Our guidance is crystal clear: according to Order 2150, we have to document the non-compliance—or even if it appears as non-compliance.

So even if it appears as non-compliance, we have to send to the carrier a letter of investigation. That does not mean there is a violation. What it means is we think there is a violation. It appears there is a violation.

You do the investigation. You can close it with no action. You can close with administrative actions. You can close it with civil penalty. But you have to document what you think might be wrong at the time that you looked at it, and this way you can go back if you have previous violations or future violations and compare your findings.

Mr. COSTELLO. You were told not to send a letter of investigation.

Mr. BOUTRIS. Yes, sir. That was also told in front of Mr. Mills, my manager, and that is when Mr. Mills.

There is a memo and I have testimony. Starting 2005, I sent an e-mail to my supervisor, copied Mr. Mills on it: I will no longer send Southwest Airlines letters of concern because I have sent so many on the same previous issues and through my surveillance I was finding the same problems that were not fixed. In addition, I was finding new ones.

That e-mail is part of my testimony.

In addition, my supervisor, after I sent the e-mail out, he grounded me. He told me I cannot do any more surveillance. So I went to his office. I went to my manager's office, and I said: According to my PD, the position description, part of my job is to manage

the program and also do surveillance inspections to ensure Southwest Airlines is following their procedures.

His response to that was: I have other inspectors for that.

I do have an e-mail from him, stating that my area of inspection is Dulles. Well, that is the only place that Southwest Airlines flies.

Mr. COSTELLO. I thank you, and I thank you, Mr. Chairman.

Mr. OBERSTAR. A further way of answering your question is to say very simply that a letter of investigation has consequences that can result in fines. A letter of concern does not.

Mr. BOUTRIS. Yes, correct. Yes, sir, that is correct, but the letter of concern is nowhere identifying our guidance.

Mr. OBERSTAR. That is right. That is correct.

The Committee will stand in recess, pending the votes on the House floor, and we will resume 20 minutes after the last vote. The panel, since they are under oath, will be sequestered by the Committee staff.

[Recess.]

Mr. OBERSTAR. The Committee will resume its sitting.

At the time that we broke for the votes, Mr. Costello had concluded his questioning, and now we turn to Mr. Hayes of North Carolina, a pilot, a diligent Member of this Committee.

Mr. HAYES. Thank you, Mr. Chairman.

This is a very important hearing. I think we have established several things. That is serious mistakes in oversight have occurred on the part of the FAA and on the part of Southwest Airlines, and I am confident that we will move aggressively on the part of everyone involved to correct the situations that have been pointed out in great detail.

As others have said, thank you for the testimony from our first panel.

I would like to pick up, if I may, on a question that Mr. Costello asked. I think it is very appropriate to make sure that we understand and have the right answer. His question, if I remember correctly, was: Do you think the problem that we have uncovered and discussed today is system-wide or restricted to the area that you all have been covering?

There was yes and one acknowledgment, but I would like to ask the panel that across the board. Mr. Boutris, would you?

Mr. BOUTRIS. That was in regard to if this problem exists in other CMOs and other FAA offices here?

Mr. HAYES. Correct. That is basically the question.

Mr. BOUTRIS. Basically, the only thing I can say is what I responded earlier, that the ATOS program can be manipulated and the person that looks at the dashboard.

Mr. HAYES. Just a yes or no.

Mr. BOUTRIS. No.

Mr. HAYES. Mr. Peters? Okay, no.

Mr. PETERS. I think potentially it could, however.

Mr. HAYES. Well, obviously, it could, but do you think this is a system-wide problem of this extent?

Mr. PETERS. Maybe not to this extent.

Mr. HAYES. Okay. And, Mr. Mills, you shook your head a minute ago as it is not a system-wide.

Does anybody disagree? Let's not belabor it.