

When we receive the reports on these investigations, we will transmit our findings and recommendations to the President and Congress. Still, to ensure the flying public is not at risk, we must determine if there are system-wide problems at the FAA. So I have three recommendations.

First, an expert commission should be established to investigate how the FAA could allow coverups that potentially endanger the flying public, investigate the complicity of the airline industry and recommend comprehensive reforms of oversight and airline safety.

Second, more audits and no-notice inspections should be done by a better financed and staffed U.S. DOT Inspector General. The IG has the independence and knowledge to ensure better oversight and compliance but needs more resources.

Third, wrongdoers and those who retaliate against them, against whistleblowers should receive real discipline to punish behavior, set the example and reassure the public that they are protected by effective oversight.

These proposals are justified and safety demands them. Otherwise, we may think we have caused things to change while they have, in fact, stayed the same or become worse.

Thank you.

Mr. OBERSTAR. Thank you very much, Mr. Bloch.

And now Mr. Sabatini.

Mr. SABATINI. Mr. Chairman.

Mr. OBERSTAR. Turn the microphone on. We want to hear every word.

Mr. SABATINI. Sorry about that. I have been here enough times. I should know about that button.

Mr. Chairman, Chairman Oberstar, Congressman Petri and Members of the Committee, I appreciate the opportunity to appear before you once again.

With me today is Jim Ballough, Director of the Flight Standards Service and Tom Stuckey, Manager of the Flight Standards Division in the Southwest region.

Today, I would like to put into context the truly disturbing incident that occurred last year when Southwest Airlines knowingly continued to fly passengers after they learned that they had overflown an airworthiness directive that required an inspection for cracks in the aircraft fuselage.

That an airline of Southwest's reputation would ever think that flying passengers in non-compliant aircraft was appropriate is astounding to me. Even more alarming and upsetting to me is that this was done with the implicit consent of one of my aviation safety inspectors.

I want to state at the outset and in the most unequivocal terms that it is never permissible for any airline to continue to operate commercial flights that are in non-compliance with an AD, and no one in the FAA, not the Acting Administrator, not me, not Jim, not Tom, has the authority to allow such operations. And, frankly, even if we did, none of us would allow it. It flies in the face of everything we stand for.

This is such a fundamental tenet of aviation safety that it is not surprising that the events of last year are receiving the amount of attention that they are today. I will not condone or defend anyone

who was responsible for or complicit in the events surrounding the decisions made to operate those flights.

Following our investigation, FAA issued a \$10.2 million proposed civil penalty to Southwest Airlines for their actions in this matter. The amount of the civil penalty reflects the fact that the airline knew they were in non-compliance and deliberately continued to fly the aircraft in commercial operations rather than grounding them as was required.

We know this because the airline voluntarily reported its non-compliance to an FAA principal maintenance inspector, the PMI, who failed to ensure that the affected aircraft were grounded. The inspector is the subject of an ongoing personnel action and has been removed from aviation safety inspector duties.

We also know this because one of the inspectors working in that office expressed repeated concerns about the PMI and ultimately reported the Southwest Airlines incident to the Administrator's hot line.

So where do we go from here? As an agency, we must accept responsibility for our mistakes, understand why they were made and implement safeguards to prevent them from happening again. That is why Acting Administrator Sturgell and I announced yesterday a five-point plan that addresses the issues of responsibility, accountability, communication and ethics. I believe these initiatives will help ensure that our rules are being followed.

First, in order to assure our employees that they are encouraged to raise their concerns without fear of reprisal, we are going to develop and implement a safety issues reporting system by the end of the month. SIRS, its acronym, provides a totally new avenue for employees to raise their issues, to get attention and results.

Second, we are initiating a rulemaking to address post-employment ethics concerns. We want to consider a cooling off period to ensure that there is greater objectivity when overseeing or working with a previous employer.

Third, we are going to work with the manufacturers and carriers to help clarify the rules themselves to improve effective implementation.

Fourth, we will amend the voluntary disclosure program to require that senior airline officials sign off on the reports to ensure that there is awareness at the highest levels of the airline of what types of deviations are occurring within their system.

And, finally, we are accelerating the expansion of our aviation safety information and analysis program. Now that we have all 117 carriers participating in ATOS, we are blending this oversight data with our other data sources to enhance our ability to protect nationwide trends and provide a better perspective on the health and safety of the system.

In addition to this plan and to ensure that what happened with Southwest Airlines was an isolated problem and not a systemic one, I ordered a special emphasis surveillance, the first phase of which has just been completed while a second, more comprehensive phase is ongoing.

Our initial findings validate that our systems safety approach of oversight is working as intended. Over 99 percent of the ADs checked are being complied with by U.S. commercial carriers.

Most importantly, if there was a question about the technical compliance with an AD, the carriers grounded the affected aircraft rather than take a chance that they were in non-compliance. This is certainly the right response to a potential safety risk.

While it is certainly not my intention to underplay the severity and egregious nature of what happened at Southwest Airlines, the initial findings of the special emphasis surveillance support what we all know to be true. By any standard, this is the safest period in the history of aviation. I say this every time I appear before you because I am extremely and extraordinarily proud of the hard work and dedication it took by the thousands of safety aviation professionals in both industry and the FAA to get us to this point.

It is not a miracle, it is not a coincidence, and it is not good luck. It is finding a way to identify and focus on risk in order to effectively address it before it can result in an accident. Clearly, the accident rate reflects that this is working.

One of the reasons we have been able to do what we have done so effectively is because of the important information we receive from the airlines, their employees and even their aircraft through voluntary reporting programs. Without these programs, we had access to such limited information, less than 5 percent of what we are receiving now. Identifying and responding to risk often involved using information we learned about as a result of an accident.

Because of these programs, we now have access to a great deal of information that we can analyze and evaluate to assist in identifying trends that point to the risk we need to stay ahead of. Again, the accident rate supports that using the information obtained through these programs is effective.

It is entirely appropriate for us to discuss how these programs are implemented and where the line should be drawn between getting the information and taking enforcement action. I am happy to talk about this today and at any time in the future, but it is my hope that as we assess what happened at Southwest Airlines or the value of reporting programs or the relationship between FAA and industry, we do not lose sight of the fact that the system is safe, and I will continue to work as hard as I can to keep it safe.

Mr. Chairman, I will be happy to answer your questions at this time.

Mr. OBERSTAR. Thank you very much.

Mr. Ballough.

Mr. BALLOUGH. Mr. Chairman, the FAA had one opening statement, and we stand ready to answer your questions.

Mr. OBERSTAR. Okay, neither you nor Mr. Stuckey has a comment. Thank you very much.

Well, very powerful testimony, Mr. Scovel, Mr. Bloch and a very interesting rebuttal, in a sense, response from Mr. Sabatini.

Mr. Scovel, you say corrective action is urgently needed, and then you set forth several specifics: an independent body to investigate inspector concerns; transfer supervisory inspectors, that is move them around within the system, so they don't get too comfortable.

The State Department does that with our overseas personnel. They get three years at one station. They are moved to another. The military does that. The Corps of Engineers does it with district