

# Executive Memorandum

The Heritage Foundation

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## TWO CHEERS FOR THE AVIATION SAFETY COMMISSION

The Federal Aviation Administration's investigations of Eastern Airlines and Continental Airlines seem to have revived claims that the airline deregulation begun by the Carter Administration has decreased airline safety. These claims are refuted by the recent report of the Aviation Safety Commission. After a year-long study, the Commission concludes that flying in the United States has never been safer. As important, the Commission warned that the greatest threat to aviation safety is the antiquated and bureaucratic Federal Aviation Administration.

Congress in 1986 established the Aviation Safety Commission. Initially, many members of Congress expected the Commission to document a perceived deterioration in air safety because of airline deregulation. However, the Commission, chaired by businessman Jack Albertine and including such aviation experts as former Civil Aeronautics Board chairman John Robson, finds that the accident rate for jet carriers has fallen by 55 percent in the nine years of deregulation, compared with the nine years before. The accident rate for commuter carriers decreased similarly, as fatality rates decreased 42 percent. Surprisingly, the greatest decreases in accidents are in areas in which deregulations' critics claim that safety has deteriorated most. Example: Although there has been concern that deregulation encourages airlines to skimp on equipment maintenance, the rate of accidents attributable to equipment failure has decreased more than other types of accidents — by 67 percent for jet carriers and 71 percent for commuters. Despite claims that deregulation has encouraged use of inexperienced and overworked crews, the rate of accidents due to pilot error has decreased by over 61 percent.

**Near Misses Decreasing?** Some have argued, despite a decrease in the actual number of accidents, that the "margin of safety" may be decreasing. Yet the Commission found no reliable evidence of this. Although the FAA has reported a significant increase in near-misses of airplane collisions in recent years, the National Aeronautics and Space Administration, which also monitors such incidents, has reported an actual decrease over the past four years. Similarly, the Commission could not find evidence of a decreased "margin of safety" in any other potential indicators, such as the number of pilot "deviations" or operational errors.

The Commission does warn, however, of serious potential safety problems stemming from the inflexible, bureaucratic structure of the FAA. Designed for a static, regulated environment, the FAA, according to the Commission, cannot respond to the new dynamic, deregulated environment that has spurred a massive growth of air traffic. As a result of FAA inadequacies, there are increased delays for air travellers. Without major reforms, the Commission

warns, safety problems, as well as increased delays, will occur. To avoid this, the Commission proposes that the FAA's functions — including both its safety regulatory authority and the operation of the air traffic control system — be transferred to a new, independent "Federal Aviation Authority." This new FAA would be self-financing and free of federal personnel and procurement rules. The Authority would be managed by an Administrator appointed by the President for a seven-year term. An independent Director of Aviation Safety, however, also appointed by the President for a seven-year term, would have the final say over safety regulations. Overseeing the entire organization would be a Board of Governors, including these two FAA officials, the Secretaries of Transportation and Defense, and five public members selected by the President.

Many aspects of this plan would improve the FAA's ability to meet aviation needs: 1) By making the FAA self-financing through user fees, the air traffic control system would be freed from the delay, uncertainty, and politicization of the federal budget process. 2) Procurement by the new agency would be streamlined by removing it from federal procurement requirements; the FAA today is unable to obtain state of the art equipment because of delays caused by arcane procurement rules. 3) Freeing the agency of federal civil service rules would allow the FAA to make better use of its work force; the FAA's current inability to increase pay for controllers in areas where more controllers are needed means that many traffic control centers are understaffed while others have more applicants than they can handle.

**User-Selected Board.** The Commission plan's major shortcoming is that it provides no institutional incentive for the FAA to meet the needs of its users. Users still would have no direct say over how air traffic control is run. This problem could be resolved by allowing most or all of the new FAA's Board of Governors to be selected by the various users of the system — airlines, private pilots, and perhaps even air traffic controllers. Such a user-selected board, of course, should wield power only over running the air traffic control system, and not over safety rules. These rules should remain under government control. Separating the operation of the air traffic control system from the regulation of safety would remove a dangerous conflict of interest faced by current FAA officials — as they must both operate the system and regulate its activities.

The report of the Aviation Safety Commission is a significant contribution to the debate over the safety of air travel. Despite the intentions of some of the lawmakers who created the Commission, it goes far to destroy the myth that airline deregulation has decreased air safety; the opposite is true. As important, the Commission identifies the inflexible and bureaucratic structure of the Federal Aviation Administration as the major obstacle to continued improvement of safety. For this the Commission deserves two cheers. It could have earned a third by giving users a greater voice over air traffic control and by separating air traffic control and regulatory power.

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For further information:

James L. Gattuso, "Fear of Flying? Not According to the Facts," Heritage Foundation *Background Update* No. 55, October 22, 1987.

"Slimmer Bureaucracy, Safer Skies," *The New York Times*, April 25, 1988.