

U.S. House of Representatives

Committee on Transportation and Infrastructure

Subcommittee on Aviation

Regarding Airline Industry Stimulus Hearing

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September 19, 2001

US-Citizens Aviation Watch Association is the leading public advocacy organization focusing on aviation issues, representing various municipalities and organizations. Our members total about 1.5 million people in the United States. The Association is also a non-governmental organization representing member and associate organizations in 27 other countries.

Our membership includes physicians, as well as individuals who are employed in the aviation and aerospace industries: pilots, air-traffic controllers, employees of NASA and Boeing, and Baylor University's School of Aviation Sciences. As a result, we have in-depth knowledge of the issues, bringing strong factual evidence to the table.

Our country should stop putting all our transportation eggs in one basket... we need a modern, comprehensive transportation plan for a diversified transportation system, which must include a world-class, nation-wide network of high speed rail.

We strongly oppose any taxpayer subsidy bailout for the airline industry because:

1) Economists are saying that we should not give a multi-billion dollar blank check bailout to the air transportation industry for the effects of the September 11, 2001 tragic events, since that industry had big financial problems before that date.

2) Any financial package to provide short-term cash-flow to the industry should not use taxpayers' money without requirements to pay it back with interest. The airlines should be treated like any other business in the free market (loans with normal interest rates or the Aviation Trust Fund are reasonable sources for short-term cash-flow loans.). The argument that the industry deserves billions in taxpayer money and tax breaks, because the government forced them to shut down is disingenuous at best, because much of the responsibility for the events of September 11, 2001 is theirs. The industry (including the Federal Aviation Administration) was in charge of security on that day. This would never have happened, to this extent, in Israel or other European countries because of the strict aviation security measures in place there. It is a well-known fact that the industry has fought stricter security

because of the costs and inconveniences. The air industry was also fined heavily by the FAA for breaches in the limited security that existed before September 11, 2001.

3) Any aviation funding package should be attached to a bill that would completely fund a comprehensive, long-term transportation plan for the U.S. that provides for a diversified, safe, efficient, and sustainable transportation system that includes a world class, nation-wide network of high-speed rail for the U.S. (estimates to build a complete high-speed rail system are in the \$50 to \$70 billion range). The air transport industry has effectively lobbied to keep high-speed rail out of our country for decades. With a nationwide high-speed rail system in place, our country's transportation system would not have been so hindered after the hijackings.

4) The industry needs to be re-regulated to protect the American public from another massive failure caused by this industry and the Federal Aviation Administration.

5) It is apparent now that the air carriers, especially United and American, are in no position to go ahead with the planned airport expansions, based on the fact that they are claiming financial hardship for being shut down for only a few days. If the airport expansions were to occur, the taxpayers could very well end up footing the bill for this unstable industry (aviation is the most energy-inefficient and the least sustainable mode of transportation). Furthermore, the expansions would only exacerbate the serious security lapses which resulted in the horrific tragedies of September 11, 2001.

6) Any bailout plan must also include a moratorium on all airport expansion designed for more capacity. This would give the industry the opportunity for technology to catch up on the massive noise, air, water, ground pollution, and climate change problems that airport and aircraft operations have been causing.

In closing: While we are understanding of immediate cash-flow needs for the recent losses caused by the tragedy, we are very concerned that the industry is trying to rush a bailout through the Congress, when any such legislation needs to be thoroughly investigated and openly debated. We should not repeat the same mistakes as in the past. We need to modernize and diversify our whole transportation system, which will create new business opportunities and stimulate the U.S. economy.