

Testimony of Francisco Sanchez before Senate Commerce Committee
7/12/2000

Chairman McCain, Senator Hollings and members of the Committee, I am honored to come before you today as you consider my nomination to be the Assistant Secretary of Transportation for Aviation and International Affairs. I especially appreciate the efforts of the committee to expedite my nomination during your busy legislative period. And thank you, Senator Graham, for your kind words of introduction. My introduction to public service began more than 20 years ago when I first went to work for you in the Florida governor's office. Thank you for that opportunity then and for your continued support today. I would also like to thank Senator Connie Mack for his written testimony in support of my nomination. I am pleased to be joined today by Special Envoy for the Americas Buddy MacKay, himself a former Member of Congress. Serving as Chief of Staff to Special Envoy MacKay has allowed me to help advance America's strategic and economic interests throughout the Western Hemisphere. I would like to thank Mr. MacKay and the Special Envoy staff for their friendship and tremendous support. Finally, but most importantly, I would like to acknowledge my Mom and Dad. I am grateful for their constant support and encouragement over the years as well as that of my friends who have joined me here this morning.

Mr. Chairman, I am deeply honored by the confidence that the President and Secretary Slater have placed in me. The President and Secretary Slater recognize the critical importance of the international transportation system. In particular, they are very much aware of the role air service plays in our nation's economy, its security, and its quality of life. My pledge to them, to Congress, and to the American people is that, if confirmed, I will work hard to serve the public interest by promoting the Department's policies of increasing competition and access at home and by continuing to open up global markets. The development of an efficient global air transportation system has enormous consequences for consumers, local communities, and the national economy. Air transportation is a growing part of world commerce. More than 650 million passengers flew on US airlines last year, a number that will reach one billion by 2010. Travel and tourism is already the world's largest industry, directly or indirectly creating 10 percent of global jobs. The \$1 trillion global air transportation industry accounts for 24 million jobs worldwide. By 2010, this economic impact will approach \$2 trillion, accounting for over 30 million jobs.

The Office of the Assistant Secretary for Aviation and International Affairs is critical to this nation's position in the world economy. There are numerous, complex issues that need to be addressed. I know my time may be limited, but I believe my background and energy can be valuable assets at the Department of Transportation. Domestically, consumer access to affordable air service is essential to efficient commerce. I support the efforts of this committee and the Department to enhance air service and airline competition in communities both large and small. I will work to ensure that the Essential Air Service program is responsive to airline customers throughout the United States. I look forward to managing our efforts to extend the reach of individual airlines and to offer passengers and shippers better and more cost-effective access to ever-expanding markets. The Department of Transportation will monitor the impacts of airline consolidation, providing input on major changes like the merger of United and U.S. Airways. The Department will also monitor passenger service to determine how

airlines treat their customers. As Chief of Staff to the Special Envoy for the Americas in the White House, I became intensely aware of the need to promote free and open markets and of the tremendous opportunities in global aviation that await us. I am also ready to draw on my background in negotiation to help the Department reach Secretary Slater's goal of a true international aviation network built through bilateral, plurilateral, regional, and global agreements. Before joining the Special Envoy's staff, I was managing director of an international consulting firm specializing in negotiation strategy advice for businesses and governments around the world. I look forward to using my international negotiation experience to build on the Department's success in negotiating 46 open-skies agreements with foreign governments in all corners of the world. Our negotiations with the United Kingdom are now at a critical juncture, and we are working to expand pluralateral aviation agreements with APEC, the Asian-Pacific Economic Cooperation organization.

As the committee is well aware, we still have much to do. I look forward to working with this committee, the industry, and other interested groups to achieve transportation excellence in the 21st Century. Thank you for your consideration. I would be happy to address any questions you may have.