

STATEMENT OF BOB HAJDUKOVICH, PRESIDENT AND DIRECTOR OF
OPERATIONS OF FRONTIER FLYING SERVICE, A REGIONAL AIRLINE
OPERATING IN ALASKA, BEFORE THE SENATE COMMITTEE ON COMMERCE,
SCIENCE AND TRANSPORTATION IN ANCHORAGE, ALASKA,
ON AVIATION SAFETY IN ALASKA

JULY 5, 2006

Good morning, Chairman Stevens, and members of the Committee. Thank you for allowing me the opportunity to testify today with regard to my experience with the unique issues facing the aviation industry in Alaska today.

In the past eighteen years I have been witness to a distinctive culture shift in the aviation community. Safety culture is no longer a cliché or catch phrase but rather a way of life for most commercial operators in Alaska today. I directly attribute this shift in culture to programs such as The Medallion Foundation, Capstone, the Alaska Air Carriers Association, The Alaska Aviation Coordination Council, AOPA and our FAA leadership in Alaska among others.

This Safety culture has taken root. The industry is committed to positive change, but continues to struggle; just six years ago Frontier paid a system wide average price of .70¢ per gallon for Jet Fuel and today's price is \$2.85 per gallon (a 307% increase). We get one half the insurance coverage for twice the premium dollar while frivolous litigation continues to plague aviation. Our engine and maintenance cost have risen five to seven percent per year. While these challenges are not unique to Alaska, our need for improved infrastructure is.

I am what one might consider a generation X Alaskan pilot. I was born in Alaska and am fortunate to have a rich aviation history in my family as well as my wife's. When I first started full time at Frontier in 1988 the industry had a culture of "*get the job done.*" Loran was the best thing since sliced bread, except it did not work in two-thirds of the state. I can look back on my relatively short career in aviation and see a great and continuing evolution of three things; **infrastructure**, **technology** and **Safety culture**.

I would like to point out some of the notable events that our company has been witness to just in the past fifteen years;

INFRASTRUCTURE

- GPS approaches
- AWOS – automated weather systems
- Weather Cameras
- GBT – Ground Based Transmitters
- WAAS – Wide Area Augmentation System
- Downsizing of Flight Service Stations
- Airport Improvement projects

TECHNOLOGY

- GPS
- CVR (Cockpit Voice Recorder) for 9 or more seats
- TCAS (Traffic Collision Avoidance System) for 9 or more seats
- GPWS (Ground Proximity Warning System) for 9 or more seats
- DFDR (Digital Flight Data Recorder) for 9 or more seats
- TAWS or EGPWS (Terrain Awareness Warning System) for 9 or more seats
- Capstone I / II (Bethel and Southeast Alaska)
- Sophisticated desktop flight simulation devices
- ADS-B – Automatic Dependent Surveillance-Broadcast

CULTURE

- Capstone I – affordable installation of collision, terrain avoidance and situation awareness equipment.
- Post 9/11 insurance rates – putting a greater emphasis on safety records and history of accidents when renewing insurance.
- Security awareness and mandated programs

- Conversion to Part 121 – greater operational control
- Medallion Foundation – Stars emphasizing Operational Control, Company Safety Program, use of simulation for Controlled Flight into Terrain situations, Maintenance and Ground personnel training and procedures and Internal Audit Programs.
- Risk Assessment – The process of elevating a decision, to accept or not accept risk, to the highest management level necessary to address the “Level” of risk.
- Capstone II – Affordable installation of WAAS compatible equipment, traffic awareness and creation of WAAS based approaches and airways.
- RSIA – Rural Service Improvement Act – emphasis on carrying passengers and Part 121 operations and reducing costs to the Postal Service. While there is much controversy about many facets of RSIA, the number of Air Carriers providing service to the remote communities in Alaska has shrunk dramatically. Because fewer flights are being flown on a daily basis, the risk of accidents has been reduced. However, the aircraft left in the system are larger and require better airport conditions. To maximize the benefit of Part 121 operations, the airports and associated airway infrastructure need to be commensurate with the high standards and demands of 121.
- ATOS – Air Transportation Oversight System – An FAA method of oversight that emphasizes evaluating elements of certification and validation of certificated 121 carriers.
- ASAP – Aviation Safety Action Program – a collaborative non-reprisal program with Industry, FAA and employees that gathers data on safety issues that would not have otherwise been reported.

SO WHAT’S MISSING?

Which I guess is really why I am here today... To let you know the needs of aviation in Alaska.

1. Continued funding of the Medallion Foundation

2. Funding support for Capstone Phase III – The total amount to outfit the rest of the state’s aircraft (GA and Commercial) is 70 million dollars. This will put WAAS units and ADS-B in most of the active fleet in Alaska. While the upfront costs seem large, it will enable the FAA to look down the road and decommission some of the legacy ground aids that are a draw on the system. The FAA must follow through on its commitment to install Ground Based Transmitters (GBT) throughout the state.
3. Continued support on maximum AIP funding – We would like to see more discretion given to the state on surface maintenance spending versus capital projects. RSIA has encouraged Part 121 Operations. The state will inevitably see more Part 121 operations and operators in the future. Today, AIP funding is linked to enplanements but should also take into consideration the type of operation at the runway. For example, if the runway is served by a Part 121 carrier, the AIP funding formula should automatically consider the airport to be a primary airport and be exempt from the 10,000 enplanement requirement. This will ensure that the airport gets funded for the safest level of ground operation.

In conclusion, I would like to thank you both for joining us in pioneering new technologies and proactive safety programs. As a friend of mine once said, “The problem with being a pioneer is that you get the most arrows.”

The unprecedented Part 135/121 safety record in 2005 speaks not only to your continued support, but to our desire to be the standard to which other parts of our great country are measured.

Thank you for your time.