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3 APPEARANCES:

4 Appearing on behalf of the National Transportation

5 Safety Board:

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8 FRANK MCGILL, Maintenance Air Safety Investigator

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I N D E X

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18 E X H I B I T S

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20 NUMBER FOR IDENTIFICATION IN EVIDENCE

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P R O C E E D I N G S

(Time Noted: 9:05 a.m.)

MR. BENZON: Sir, would you raise your right hand?

Whereupon,

WILLIAM MICHAEL SACREY, III

was called as a witness and, having been first duly sworn, was examined and testified on his oath, as follows:

MR. BENZON: Please have a seat.

EXAMINATION

BY CAPTAIN IVEY:

Q. Good morning, Mr. Sacrey?

A. Good morning.

Q. If we could begin by giving us your full name, your occupation and location --

A. Okay.

Q. -- responsibilities and who you work for?

1           A.     Let's do them one at a time.

2                     Name is William Michael Sacrey, III.

3     Federal Aviation Administration where I'm the Division  
4     Manager for ASO-200, which is Flight Standards based in  
5     Atlanta, Georgia.

6           Q.     And a little bit about your duties and  
7     responsibilities in that position?

8           A.     Okay. My job is to provide executive  
9     direction for the implementation of all flight  
10    standards FAA safety programs, both regulatory and non  
11    regulatory, in the geographic area of responsibility.

12                    This includes the eight southern States, the  
13    Islands of Puerto Rico and the territories of the  
14    Virgin Islands, and all of the continent of Central and  
15    South America and the Caribbean.

16          Q.     And a little bit about your background,  
17    aviation ratings?

18          A.     Okay. I started in the aviation business in  
19    the Air Force. I was an air traffic controller. I  
20    left the Service and went to college, ended up working  
21    for Boeing Aircraft as an industrial engineer.

22                    Decided I wanted to fly and to fly in the  
23    western States. Went to work for a company called  
24    Aviation Services, Inc., which was a small commuter

1 based in Reno, Nevada.

2 Later flew for the University of North  
3 Dakota, where I was the chief pilot for some period of  
4 time. And came to work as an aviation safety inspector  
5 in Oakland, California, in 1979.

6 Q. And you've held your present position as a  
7 Division Manager for how long?

8 A. A little over five years here in Atlanta.

9 Q. And continuously been employed by the FAA  
10 since 1971?

11 A. In various positions. I've worked in three  
12 Regions and worked in Headquarters in three different  
13 assignments.

14 Q. As far as your aviation ratings --

15 A. I hold an airline transport pilot's  
16 certificate with a number of type ratings.

17 Q. Type ratings including large aircraft?

18 A. Type ratings including jet transport  
19 airplanes of the executive variety, Citations, Lear.

20 Q. You mentioned the eight southern States.  
21 How many FSDOs are located in that?

22 A. Sixteen.

23 Q. In the eight States?

24 A. Correct.

1 Q. And within Central America, South America,  
2 the Caribbean, repair stations are also located  
3 throughout that area that it's been responsible for?

4 A. Correct. That's correct.

5 Q. Just in terms of numbers of units within  
6 your Region, how many different operations are there,  
7 repair stations, FSDOs?

8 A. Thousands. If we're talking Part 121  
9 operators whose certificates are held in this Region,  
10 the number comes up to forty.

11 If we're talking about numbers of repair  
12 stations, let's talk Miami alone, there are 230.

13 Somebody in the background was probably saying  
14 235, or something like that, but since I don't normally  
15 have the whole count, there are 120 airline operations  
16 that come into Miami alone.

17 Q. Part 129?

18 A. 121, 129, 135.

19 Q. I see. And here at the Miami Airport, the  
20 FAA, I presume, is all concentrated over there on 36th  
21 Street, is that true?

22 A. The Miami office is on 36th Street and the  
23 International office is in the same building and the  
24 CASFO and some other FAA organizations.

1 Q. I guess those are the three major players  
2 over there on 36th Street, is FSDO 19, FSDO 23, which  
3 is the International Flight Office, and the CASFO.

4 A. Correct. And there's also an Internatidna  
5 office there that has a different level of  
6 responsibility that's beyond Flight Standards.

7 Q. So I mentioned the eight States, but is  
8 there a FSDO located in San Juan?

9 A. Yes, there is.

10 Q. So total FSDO numbers, how many are there?

11 A. Sixteen.

12 Q. Sixteen. I thought maybe that was just in  
13 those eight States, but there's sixteen total?

14 A. Here in Florida, you have one in Tampa, one  
15 in Orlando, one in Fort Lauderdale, and two offices  
16 here, so most States there's only one office.

17 Q. Florida's gø the bulk of the --

18 A. Lots of activity down here, as you know.

19 Q. Sure. You mentioned forty Part 121s are in  
20 the Southern Region.

21 How many of those 121s are supplemental?

22 A. I don't know. I would guess that about half  
23 a dozen.

24 Q. All right.



1           A.     The others would have domestic and flag.

2           Q.     Are most of the 121 supplementals located in  
3 the Miami area or in the Florida area?

4           A.     That's true.

5           Q.     In terms of oversight of your thousands of  
6 units, if you will, many of which are outside the  
7 country, do you rely on the FSDO 23 for that kind of  
8 activity in conjunction with the Miami FSDO to travel,  
9 as we've had testimony earlier yesterday, PMIs  
10 traveling en routes to conduct the surveillance and  
11 oversight outside the country?

12                     Does it primarily come out of the Miami  
13 area, and also supplemented by FSDO 23?

14           A.     Primarily for those operators that serve  
15 Miami, yes, but Delta Airlines services destinations  
16 all over the world and the primary surveillance for  
17 Delta comes out of Atlanta, and FedEx out of Memphis.

18           Q.     So generally, the principals involved in  
19 those locations would also be traveling to overseas  
20 destinations as part of their surveillance of their  
21 carriers?

22           A.     That's correct.

23           Q.     Is part of your responsibility as Division  
24 Manager to evaluate each of the FSDOs within your

1 Region from time to time?

2 A. That's correct.

3 Q. How are those evaluations accomplished?

4 A. A number of ways. We have an evaluation  
5 team that runs, essentially, a check list.

6 We monitor the performance of the District  
7 office as far as their accomplishment of national  
8 program guidelines, the inspections that are called for  
9 in the national program guidelines.

10 And from time to time, our RASIP and NASIP  
11 inspections and carriers in that office, and that is  
12 also part of the evaluation of their effectiveness.

13 Q. When you mention the national program  
14 guidelines as part of the overall fitness of a local  
15 FSDO, those are criteria that you use to evaluate the  
16 effectiveness of the FSDO NPG requirements?

17 A. If they're completion of those requirements,  
18 yes.

19 Q. In my experience, I have yet to meet one  
20 individual principal that has failed to meet one  
21 hundred percent of the MPG requirements.

22 In fact, every time I talk to someone,  
23 that's their first order of priority, to ensure that  
24 they get those completed one hundred percent of the

1 time, and then try to get the planned items.

2           So their initial target is to complete one  
3 hundred percent MPG.

4           A.     That's true.

5           Q.     Have you had, in your experience, any FSDO  
6 principal ever fail to complete one hundred percent of  
7 the MPG requirements?

8           A.     Yes.

9           Q.     I'd sure like to meet one of those people,  
10 not only because I've never met one.

11          A.     It's usually been some kind of  
12 administrative oversight, but some of the requirements  
13 are, believe it or not, hard to get.

14                 For instance, we spent a lot of money one  
15 year making sure that we got two inspections done in  
16 Barow, Alaska, because they were required inspections.

17          Q.     I was going to say, we've had a rough year  
18 in Barow. I believe we could have done a lot of work  
19 for you up there this year, including up to last week.

20                 Well, when you use the MPG as a yardstick,  
21 perhaps, give me an idea of the number of people that  
22 failed to complete MPG requirements?

23                 They've got to be in a very small  
24 percentage.

1           A.     It's very small when you're talking about  
2 the required inspections, but I consider the planned  
3 inspections part of the overall program.

4           Q.     So then I guess it's fair to say that the  
5 MPG requirements and the planned requirements are a  
6 more --

7           A.     Are the total program, correct.

8           Q.     And does that indicate more the capability  
9 of the individual principals or does that fall into the  
10 big basket of the FSDO?

11                   In other words, if this one principal is not  
12 accomplishing all his requirements, does this reflect  
13 on the local FSDO in some form or fashion?

14          A.     Yes, it does.

15          Q.     Explain to me how that works?

16                   I just don't understand the tools by which  
17 you can look at a FSDO to evaluate its successes or  
18 failures.

19          A.     That was a compound question.

20          Q.     Well, I'm trying to understand how, if  
21 you've got -- and let me start by asking, how many  
22 principals are in your Region?

23          A.     I don't know.

24          Q.     Does this --

1           A.     Well one for each airline and there's many  
2 135 operations, and we have some 800 employees in  
3 Flight Standards.

4                     About 680 of those are inspectors. Most of  
5 them are principal inspectors. Some of them are  
6 trainees and some of them are supervisors.

7           Q.     So each of these principals are charged with  
8 certain national program guidelines, the required  
9 items, and then certain planned items for the year?

10          A.     Correct.

11          Q.     And each of these people, at the end of a  
12 fiscal year, you're able to look to see the completion  
13 rate of MPG requirements and planned requirements?

14          A.     Yes. We monitor it monthly and quarterly,  
15 and so we can see how those inspections are  
16 progressing.

17          Q.     And so, if in the case of the FSDO 19 you've  
18 got thirty inspectors that you take the thirty, sixty,  
19 ninety day look or the quarterly look or the end of the  
20 year look, all that is lumped into the quality of  
21 surveillance, as reflected by FSDO 19?

22          A.     Correct. And it's approximately thirty-five  
23 percent of their job.

24          Q.     From your viewpoint, I'm sure, as in all

1 cases, there are good, average and substandard FSDOs,  
2 those that could improve, those that do a very good  
3 job.

4           Could you characterize for me the quality of  
5 the Miami FSDO in the past year, and in the past five  
6 years that you've been in your position?

7           A.    In terms of activity, that is completing the  
8 assignments, they've been near a hundred percent.

9           Q.    What is the lowest activity percentage that  
10 you've had in any of your FSDOs in the last five years?

11          A.    In the high eighties.

12          Q.    Could you characterize for me the ranking of  
13 the Miami FSDO as compared to the other FSDOs in your  
14 area?

15          A.    It comes out in the top half on various  
16 measures, that is other measures besides the completion  
17 of numbers of inspections.

18                   We use the timeliness of accomplishment of  
19 enforcement reports, for instance.

20          Q.    You mentioned enforcement reports.    Is the  
21 amount of enforcement activity an indicator of the  
22 quality of what the FSDO is doing in terms of  
23 oversight?

24          A.    It can be.  It's a measure of how thorough

1 their inspections are, because we know there are acts  
2 of non compliance, and we would expect that they would  
3 identify some of them.

4 Whether they can inspect in quality to an  
5 airline is another thing.

6 Q. As you say, Florida has a lot of FSDOs  
7 because of a lot of aviation activity.

8 Is there any special emphasis that you give  
9 the Florida -- correct the term District, if you will --  
10 -- any other special emphasis or support that you give  
11 them down here because of the peculiarities of the  
12 Miami area, the density of the airport operators,  
13 etcetera, etcetera?

14 A. Yes. They're supplied with more resources.

15 Q. In terms of people?

16 A. Yes.

17 Q. Is there any difference --

18 A. Computers, cars, travel money.

19 Q. Would you say that the bulk of your funding  
20 is directed towards the Florida area, as opposed to  
21 international or the other seven States?

22 A. Do you want me to get the politicians in the  
23 other seven States angry with me?

24 (Laughter.)

1 BY CAPTAIN IVEY:

2 Q. That does bring up an interesting question.

3 And that is, do you get involved in the  
4 political arena with other States as part of your job?

5 A. We have to respond to our political masters  
6 as a Government official, yes.

7 Q. Does the politics of your Region -- you take  
8 your guidance, I presume, from Headquarters as opposed  
9 to the individual politician in your respective --

10 A. Headquarters is the policy making  
11 organization of the FAA, that's correct.

12 Q. And ASO-200, you report to --

13 A. AFS-1.

14 Q. -- AFS-1. Thank you.

15 The last year and a half or so, I guess, for  
16 this Southern Region's been a tough year.

17 A. It's a challenging and busy place, that's  
18 correct.

19 Q. From your standpoint, from all the accidents  
20 that have happened or departed from your Region, how  
21 have you and your staff tried to address what has  
22 happened, looking at the accidents, trying to see if  
23 there was something in your Region that might have been  
24 overlooked?



1           Have there been any changes in the way  
2 you've done business, as a result of starting with  
3 ValuJet up until this latest, Fine Air crash?

4           A.     Yes, there has been. I think there's been a  
5 change in emphasis. Senior management in FAA is of the  
6 belief that you can't inspect in quality.

7           Therefore, you have to build in quality in  
8 safety.

9           So there's much more emphasis on the  
10 appropriate certification and much more emphasis on  
11 looking beyond just the operator, where operators are  
12 using third parties, for instance, to supply things.

13           We add much more emphasis now on repair  
14 station and contract training organizations, and the  
15 operations specifications that are increasingly more  
16 detailed.

17           This is kind of a long term approach. I've  
18 been an inspector for twenty-five years. The original  
19 guidelines used to be about -- I'm holding up my hands  
20 -- about six inches wide.

21           Now, the average inspector has pages and  
22 pages of books of guidance that he uses in his daily  
23 work, so it's much more detailed.

24           Q.     As you say, you can't inspect it in.

1           Has there been a change in emphasis in the  
2 way inspections are conducted, RASIPs and NASIPs?

3           A.     Yes, I believe there has. I think they're  
4 more thorough and they tend to focus on a particular  
5 area, and the sample sizes tend to be larger than they  
6 used to be.

7           Q.     When there's an inspection, how do you  
8 evaluate carrier fitness, as it relates to an  
9 inspection that's just been completed?

10          A.     By carrier fitness, you mean compliance with  
11 the regulations?

12          Q.     Yes.

13          A.     That's exactly what we evaluate. The NASIP,  
14 for instance, evaluates the carrier in thirty-one  
15 distinct areas, and each one of those is reviewed and a  
16 determination is made whether they're in compliance.

17                 Now, whether they are significantly above  
18 the compliance level or not, we do see carriers that  
19 are beyond what the regulation requires, and we  
20 certainly encourage that. We don't have the ability to  
21 demand it though.

22          Q.     Yes. In the case of ValuJet, in the case of  
23 Millon Air, in the case of Fine Air, as Mr. McGill  
24 stated yesterday, Rich Airlines, Arrow Airlines, you

1 were -- at least the first three I mentioned were  
2 operating as a result of a crash.

3 Then, suddenly, the airlines were closed  
4 down for whatever reasons, and in two of the cases,  
5 were permitted to start up operations again.

6 Has this been of concern to you and, if so,  
7 why?

8 A. Well, it's of great concern.

9 Whenever a carrier is found not to be in  
10 compliance of the rules, a determination has to be made  
11 what the remedial or corrective action will be.

12 Sometimes that is a civil penalty, sometimes  
13 it's a suspension of some part of their authority, and  
14 sometimes it's a suspension of all of their authority,  
15 depending on the graveness and how defective their  
16 compliance posture is.

17 Q. Isn't it a shame that we have to find this  
18 out after accidents, as opposed to before accidents?

19 A. It certainly is.

20 Q. What has been discussed and changed in order  
21 to try to have better indicators before these things  
22 occur, rather than after?

23 A. Well, I think your organization and mine is  
24 always looking for those indicators. Before the

1 Pittsburgh accident of the 737, I don't believe there  
2 was any indicators.

3 Nor do I believe a similar accident that  
4 happened out in Colorado Springs were there any  
5 indicators, other than the one accident maybe as an  
6 indicator of the other.

7 Q. In that particular case, U.S. Air was not  
8 shut down however.

9 A. That's true. However, their training and  
10 maintenance of 737s was thoroughly looked at.

11 Q. You mentioned the eight States. Which  
12 States are in the Southern Region?

13 A. North Carolina, South Carolina, Tennessee,  
14 Kentucky, Georgia and Florida and Mississippi.

15 Q. I think it's common knowledge that there's  
16 always been a term about the corner of the Miami  
17 Airport boundary.

18 A. I'm familiar with that term.

19 Q. And even the accident crew, when they  
20 requested taxi, used the term Jurassic Park, which is a  
21 new term I had never heard.

22 Because of this, and I think it's common  
23 knowledge among anyone who operates in and out of here,  
24 and other airlines and pilots in aviation, the parties

1 identify with the corner of the Miami Airport.

2           Whether it's fair or not, the accusation,  
3 has there ever been any discussions by you in Region  
4 concerning this section of the airport?

5           A.     Yes, there has. And for many years, ist'  
6 -- there has been one special emphasis team after  
7 another working there in Miami.

8           Q.     And those special emphasis teams, what are  
9 they looking for?

10          A.     For compliance with the regulations.

11          Q.     Is it your opinion that because of the  
12 operators that are not the major carriers. that are  
13 sitting over at the fancy terminals and all, have a  
14 different way of doing business that you have  
15 identified through other indicators that do need  
16 special emphasis and inspection down here?

17          A.     Yes.

18          Q.     Why? Why is it different here?

19          A.     I'm not sure why it is. The particular  
20 market that these carriers are serving, they're  
21 operating twenty-five and thirty year old airplanes  
22 which require more maintenance attention and more --

23                 Those airplanes, much of their useful life has  
24 already been used up, so they're using the last twenty

1 percent of it, rather than the first twenty percent,  
2 all of which means that it requires more safety  
3 inspection.

4 Q. Is it built into the inspection  
5 requirements, perhaps MPG requirements or the planned  
6 requirements?

7 These factors are taken into consideration  
8 in that because it's airlines operating older equipment  
9 that there's got to be a different way of surveilling  
10 them, as opposed to someone who, like United, just  
11 bought brand new triple 7's?

12 A. I'm not sure I would say different, but at  
13 least more intensive.

14 Q. Could you characterize the Miami Airport  
15 operations in terms of carrier non conformity?

16 Granted, you've got more of them in Florida,  
17 but I want to isolate Miami for a moment. Do  
18 you find that a great percentage of your problems  
19 emanate from this airport, or are they pretty well  
20 diverse and scattered throughout?

21 A. Well, many of them come from the South  
22 Florida area. I mean many of the non compliance  
23 problems we see, many of the worn out airplanes we see  
24 here.

1 Q. Is there any particular recurring theme that  
2 is big on your hit list, or that you have recognized as  
3 a problem, that continually keeps coming from down  
4 here?

5 A. Well, the combination of older aircraft,  
6 younger less experienced crews, and management that is  
7 operating on, let's say, a smaller margin than the  
8 major carriers, all of those are a concern.

9 Q. Do you see any solutions?

10 A. More intensive inspections, building in  
11 margins within their internal guidance, that is their  
12 own manuals and systems, effective CASS systems, all of  
13 which should be producing safety information.

14 Q. Do you or members of your staff participate  
15 in the decision as to who makes or who gets a RASIP or  
16 NASIP inspection?

17 A. Yes, my staff.

18 Q. Are you definitely involved in that?

19 A. I can be, and usually are.

20 Q. Are carriers that have particular  
21 inspections on a frequent basis, brought to your  
22 attention?

23 A. Yes.

24 Q. Fine Air has one in '95, a RASIP. They have

1 a NASIP in '97 and, of course, since the accident, a  
2 third RASIP -- a second RASIP, third inspection.

3 And, as you may have heard yesterday in  
4 testimony, there were two DOD inspections. They had an  
5 OSIP also that may have been preparatory for the NASIP  
6 inspection, as we heard in testimony.

7 Is two RASIPs and a NASIP between '95 and  
8 '97 a typical number of inspections for a carrier?

9 A. No, it's not.

10 Q. Is that abnormal?

11 A. It's more intensive than normal.

12 Q. Are there any indicators to you, starting  
13 back as far as 1995 before the RASIP, that may have  
14 been indeed their first RASIP, but have there been any  
15 indicators from your perspective that has determined  
16 the necessity for having these inspections in such  
17 close intervals?

18 A. No.

19 Q. Are there other carriers within the Region  
20 that have had three inspections like that in about the  
21 same timeframe?

22 A. Not that I'm aware of.

23 Q. Is there any trigger mechanism that you're  
24 aware of that could cause them to be inspected as much



1 as they were?

2 A. Well, it starts with them being nominated by  
3 their District office. So if they're continually  
4 nominated, they've got a better chance of being chosen  
5 than if they are not nominated.

6 Q. That's certainly one nomination that I'm  
7 sure no one exactly wants to receive.

8 A. Well, no, on the contrary, I think the  
9 office management here wanted more intensive inspection  
10 of that particular carrier. That's why they nominated  
11 them.

12 Q. I see.

13 Does many of the carriers that are in the  
14 Miami -- you said there's a FSDO in Fort Lauderdale  
15 though?

16 A. That's correct.

17 Q. So that would be a separate entity in and of  
18 itself.

19 With the number of carriers here at the  
20 Miami Airport under the FSDO 19 oversight, why would  
21 Fine Air be nominated as many times as it has, as  
22 opposed to spreading this out among the other carriers?

23 Do you have a sense as to why they made the  
24 nomination so frequently, got the nomination so

1 frequently?

2 A. Because the local management nominated them,  
3 they must have wanted more intense inspection.

4 Q. Have there been any discussions between you  
5 and Headquarters or between you and the FSDO, FSDOs,  
6 relating specifically to freight operations?

7 A. Yes, there have.

8 Q. And what kind of discussions have you had  
9 concerning freight operators?

10 A. That some freight operators are much more  
11 sophisticated than others, and the less sophisticated  
12 ones probably need more regulatory attention.

13 Q. Would it be fair to say that based on our  
14 previous discussion on the nomination for inspections,  
15 that Fine Air may not be as sophisticated as some of  
16 the others and, therefore, perhaps needed more  
17 inspection?

18 A. Yeah, I think that would be evident on the  
19 face of it, to walk around Fine Air's airplanes and  
20 then go up to Louisville and walk around UPS'  
21 airplanes.

22 Q. Have there been any identified cargo  
23 problems prior to the Flight Standards handbook  
24 bulletin, the 97.12 and the 97.21?

1           Are you familiar with those?

2           A.    I'm familiar with them, yes.

3           Q.    Had there been any other identification or  
4 areas identified that needed to be addressed, in terms  
5 of cargo handling, prior to these coming out, any  
6 changes in cargo?

7           A.    Yeah, I can think of several over the years,  
8 and I think the carriage of hazardous and dangerous  
9 goods is one of the major ones.

10                   And that came out of an accident and -- or  
11 recommendations from the NTSB, which were incorporated  
12 into the regulations.

13           Q.    Has there been any emphasis to increase the  
14 training of principals involved with the oversight of  
15 cargo carriers?

16           A.    I'm not aware of a specific move to train  
17 principals on cargo carriers, other than those  
18 bulletins that you're familiar with.

19           Q.    Is there an effort to have principals and,  
20 for example, the operations principal, to necessarily  
21 be trained on the type aircraft in which he surveils?

22                   Is that a requirement?

23           A.    It is not a requirement. Many times it's  
24 desirable, but Delta Airlines operates ten major types

1 plus dash numbers.

2           It would be impossible for the principal to  
3 be rated on all those aircraft. He's rated on one of  
4 them.

5           Q.     In one of them?

6           And there's a case where I think due to the  
7 size of the airline, we then get into the program  
8 manager aspect, where there are indeed trained people  
9 though, isn't that correct?

10          A.     That's correct. And that's how we handle  
11 many of the smaller airlines as well.

12           In other words, if the principal is not  
13 rated on that type aircraft, their major type or one of  
14 their types, then he uses other assets, but it's  
15 desirable to have principals rated on the kinds of  
16 airplanes that the airline is using.

17          Q.     Do you feel like that the POIs within the  
18 Southern Region, as they have their positions in  
19 oversight of their respective carriers, are adequately  
20 trained?

21           Has there been a discussion from your  
22 standpoint that the Region had to look at the  
23 principals and say, gosh, we've got people out there  
24 surveilling carriers that are not trained as they

1 should be?

2 Is this a problem in your Region?

3 A. Well, I think our principals are adequately  
4 trained, and I would say that they are reflective of  
5 the principals all over the United States.

6 Do they have the ideal training? That is  
7 another thing, and we're talking about an allocation of  
8 scarce resources here.

9 And while it's desirable to have a great  
10 deal of training in the various subjects, adequacy is  
11 another thing.

12 Q. The POI tenure at a carrier, do you track  
13 that?

14 A. Not as well as we should.

15 Q. Is it low, medium or high turnover?

16 A. There is a higher turnover in places like  
17 Miami, where there is a turnover in the industry as  
18 well.

19 And when carriers are growing or  
20 diminishing, the size of the assignment changes, and as  
21 a consequence, there are constant reassignments, it  
22 seems, which is detrimental to continuity.

23 Q. In the freight forwarder aspect of cargo  
24 operations, has there been anything in the Region that

1 has addressed freight forwarders?

2 A. I'm not aware of any specific directives  
3 toward freight forwarders, regionally or nationally.

4 Q. That's not really been part of the  
5 surveillance of FSDOs, is that true?

6 A. Surveilling freight forwarders themselves?

7 Q. Yes, sir.

8 A. I'm not aware of any.

9 Q. Nor has there been a require~~m~~e to do so.

10 A. Correct.

11 Q. In terms of wet lease agreements, are those  
12 handled at your level or higher?

13 A. They are not normally handled at my level.  
14 They are handled at the principal inspector level.

15 Q. And when a principal inspector receives a  
16 wet lease agreement between the two parties, an airline  
17 in this case, and I'll use Aeromar as the example, is  
18 that brought up to Region for review?

19 A. It can be. That's normally a legal review.

20 Q. And that legal review, is at the Regional  
21 level or --

22 A. Correct.

23 Q. -- at Headquarters? Regional?

24 A. And that's because they aren't anywheres in

1 the District offices.

2 Q. I see.

3 Had that been handled on a local level at  
4 sometime earlier?

5 A. I'm not sure what you mean, local level.

6 Q. I was under the impression that at one point  
7 in time, wet leases were, as you described, handled  
8 pretty much between the principals and the operators,  
9 and then with the oversight of the local FSDO  
10 responsible to that principal.

11 However, they have now been moved up to the  
12 Region for review and determination as to the quality  
13 of the wet lease.

14 A. The help of the Regional Counsel has always  
15 been available to the inspector, and I think there  
16 probably is more review at the Regional level now than  
17 there was, because there's some very complex  
18 arrangements made, security arrangements on aircraft  
19 leases.

20 Q. So is it the responsibility of the principal  
21 to say this is more than I can fathom, Region, can you  
22 help me out?

23 Or is there a mechanism that says when you  
24 get the wet lease, I want you to send it right on up to

1 us at your level for General Counsel review and Region  
2 review before approval?

3 A. When the principal receives a lease  
4 nowadays, most of the time it is forwarded for legal  
5 review.

6 Q. Thank you.

7 Is the CASFO part of your responsibility as  
8 the Division Manager?

9 A. It is not, but we're one FAA, so we  
10 cooperate, but they do not report to me.

11 Q. To whom do they report, do you know?

12 A. Another Division Manager in charge of  
13 security.

14 Q. And that's on a regional level or --

15 A. Yes. In our Region, the gentleman's name is  
16 Jackson Smith, and he has I don't know how many  
17 CASFO's, to be honest with you.

18 Q. So that's totally outside of your area?

19 A. Correct. Although we do have dealings with  
20 him because of dangerous goods and hazardous material  
21 and things like that. That is their program, but we're  
22 in a position to spot it sometimes.

23 Q. So their entire operation is for security,  
24 HAZMAT, dangerous goods, that would be it?



1           A.     Internal, external security, those  
2 magnetometers that you walk through when you come in  
3 the airport.

4           Q.     In terms of the ValuJet shutdown, the Millon  
5 Air shutdown, and the Fine Air shutdown, what prompted  
6 an increase in surveillance right after these  
7 accidents?

8                     Is there an automatic mechanism that goes  
9 into play after a major accident, or were these  
10 decisions made at your level to increase surveillance  
11 prior to the shutdown?

12          A.     There is a near automatic reaction to review  
13 a carrier's fitness, particularly as it relates,  
14 perhaps, to that accident.

15                     Earlier in my testimony, I mentioned the 737  
16 program at U.S. Air.

17          Q.     After the Fine Air shutdown, were you a  
18 participant in the construction of the consent  
19 agreement?

20          A.     I was not.

21          Q.     You were not part of that at all?

22          A.     I would have been, except I was on a  
23 temporary assignment in Washington, so my assistant was  
24 acting in my behalf. He was the Acting Manager.

1 Q. Is the consent agreement basically  
2 established at the Regional level or is --

3 A. It's established at the Regional level.  
4 It's actually a negotiation between the FAA and the  
5 operator, and certainly suggestions that come from the  
6 District office are incorporated.

7 Q. Does Headquarters also participate in the  
8 consent agreement?

9 A. Normally, on the legal side, yes.

10 Q. The fine that was levied against Fine Air  
11 that's spelled out in the consent agreement, can you  
12 give me your impression of why that was there and any  
13 other particulars that relate to the coming back into  
14 business of Fine Air?

15 But particularly, the fines that were  
16 established, was that excessive or have you had  
17 experience with these before, consent agreements?

18 A. I have had experience with consent  
19 agreements before. Let me take one part of your  
20 question at a time.

21 The theory behind civil penalties is -- has  
22 several things behind it. One is the punitive nature  
23 of it, like a parking ticket or speeding ticket.

24 The second is reimbursement to the

1 Government for expenses incurred because of non  
2 compliance.

3 Q. In terms of the dollar amounts that were  
4 established in the consent agreement, how much of that  
5 was punitive versus paying for the FAA oversight?

6 A. I don't know.

7 Q. You don't know. So my term of using fines  
8 may have been an inappropriate word --

9 A. Yes.

10 Q. -- in that the numbers themselves are  
11 accumulated for various and sundry reasons.

12 A. And very often, people call civil penalties  
13 fines.

14 Q. Were there civil penalties involved in that  
15 consent agreement, do you know?

16 A. For Fine Air?

17 Q. Yes, sir.

18 A. Yes, there were.

19 MR. ZAPPPIA: Here. Do you want to take a  
20 look at this? Here's the statement. It's listed on  
21 the consent agreement.

22 THE WITNESS: It's probably in his record, I  
23 would assume. Is it not?

24 CAPTAIN IVEY: I'm sorry?

1           THE WITNESS: The consent order, is not part  
2 of the record of this --

3           CAPTAIN IVEY: Yes, that's part of the  
4 record.

5           BY CAPTAIN IVEY:

6           Q. In terms of the future beyond these two  
7 bulletins that were produced on September the 5th, one  
8 of which, of course, is the special emphasis  
9 surveillance on 121 air carrier cargo loading  
10 procedures.

11           And the other basically describing the  
12 pallets and acceptable means of maintaining cargo  
13 containers, pallets and netting installed in transport  
14 category aircraft.

15           Is there anything else, to your knowledge,  
16 that's forthcoming regarding cargo operators and the  
17 criteria that will be published for the principals to  
18 be able to inspect to see what's good, what's bad?

19           A. I'm not aware of any specific guidance being  
20 developed, but we're in a constant state of refinement  
21 of guidance.

22           Q. Characterize for me what has changed outside  
23 of these two documents since the Fine Air cargo crash.

24           Have there been any other changes made?

1 A. I'm not aware of any.

2 Q. Just the increased emphasis, as suggested,  
3 by these two documents?

4 A. Yes.

5 Q. Did I ask you about the ranking -- I did ask  
6 you the ranking of the Miami FSDO, I believe, compared  
7 to your others?

8 A. You did and I said it was in the top half.

9 Q. Yes, you did. Thank you.

10 CAPTAIN IVEY: I have no further questions,  
11 Mr. Sacrey.

12 Thank you very much.

13 THE WITNESS: Thank you.

14 EXAMINATION

15 BY MR. MCGILL:

16 Q. Just a couple of questions, Mr. Sacrey.

17 You talked about building in quality instead  
18 of inspected into the aircraft.

19 Could you just give a real short explanation  
20 of how you, the FAA, is guiding the inspectors for  
21 increasing this quality?

22 A. Yeah, I think I can.

23 It starts with the systems that the airline  
24 has, whether it's the system for training crew members

1 or the systems for maintaining aircraft.

2           What we're asking for is greater detail in  
3 those systems and more quality assurance of those  
4 systems, so we can be sure that they function  
5 correctly.

6           Q.    We have heard testimony from inspectors and  
7 principals, in fact, saying that they felt that they  
8 needed assistance in their surveillance.

9           Are there future plans to alleviate some of  
10 these, perhaps, overload conditions in the Miami FSDO?

11          A.    You characterize it as an overload. I don't  
12 know that I would agree with that. Certainly, every  
13 principal can always use more help.

14           There's lots of work to do and dedicated  
15 principals usually want to have more effective  
16 surveillance, so -- but I repeat, I don't think you can  
17 inspect in quality.

18           I think their time is better spent in  
19 helping the carrier design effective systems and  
20 policing it themselves.

21           There are 36,000 departures every day in  
22 this country. There's not an inspector there to  
23 witness every one of them.

24          Q.    We hit a little bit on the training of the

1 principals.

2           Do you feel that your staff of unit managers  
3 and managers have adequate expertise in areas of heavy  
4 aircraft airframe engine operational backgrounds to  
5 accommodate the principals themselves?

6           A.     I think that you have adequate training and  
7 qualifications, if that's what you're asking, yes.

8           Q.     It seems like a principal nowadays needs a  
9 great deal of experience to deal with the  
10 sophistication of the airlines, and I don't know if the  
11 same degree that goes up in management -- it seems like  
12 perhaps some of the management may need also, some of  
13 the same type of training to be able to help the  
14 principals.

15           That was just what we've noted in our  
16 observations.

17           On the wet leased arrangements with Fine Air  
18 and ABX Air, we had testimony that that arrangement was  
19 made to allow Fine Air to fit the parameters of Part 91  
20 requirements.

21           Do we have other carriers using those  
22 techniques that you're familiar with?

23           A.     I don't know.

24           Q.     Who does know this?

1           A.     The principal of each carrier would know  
2 what aircraft carrier can be utilized by that --

3           Q.     Did I hear these wet leases are sent up to  
4 be analyzed from out of the --

5           A.     For legal sufficiency, yes.

6           MR. MCGILL: I have no further questions.

7                                 EXAMINATION

8           BY MR. BENZON:

9           Q.     Okay. I just have one, and it does concern  
10 the bulletins that came out to give guidance to POIs  
11 and PMIs.

12                                 I always worry about these a little bit  
13 because of the limited shelf life, so to speak.

14           A.     I feel the same.

15           Q.     One of them, in fact, has already expired.

16                                 Sir, is there any plans to codify this, to  
17 make this a bit of a more permanent affair for the  
18 inspectors?

19           A.     I hope so.

20           Q.     Okay, we --

21           A.     The purpose of the bulletins normally is to  
22 get information out right away --

23           Q.     Right.

24           A.     -- and then later, as the document that



1 they're part of is updated, it normally is  
2 incorporated, so I would hope that that would be the  
3 case here.

4 Q. And that decision to do that would be above  
5 your level?

6 A. I don't know if it's above my level.

7 Q. Laterally?

8 A. It's done at Headquarters. I used to do  
9 that work myself. It would be accomplished in AFS-200  
10 and AFS-300.

11 That's where the bulletins came from, and  
12 that's where the handbooks that they supplement come  
13 from.

14 MR. BENZON: Okay, very good. That's all I  
15 have.

16 EXAMINATION

17 BY MR. SCHLEEDE:

18 Q. Mr. Sacrey, I apologize if I'm redundant  
19 here in a couple of areas, but I'm going to go over a  
20 few areas that I want to clarify in my mind.

21 Starting with the Milon Air situation, are  
22 you familiar with the circumstances that led to the  
23 shutdown of that carrier?

24 A. I'm familiar with the shutdown and why they

1 were shut down, yes.

2 Q. And could you characterize that real  
3 quickly, what the reasons were?

4 A. Yes. Evidence of substantial non compliance  
5 with the regulations was presented to me, and I made  
6 the determination that the carrier was no longer  
7 qualified to operate.

8 Q. How did that reflect, if at all, or do you  
9 have an opinion how that might reflect on the  
10 effectiveness of FSDO 19 to have been doing its job at  
11 that time?

12 A. I think FSDO 19 was doing its job in that it  
13 was accomplishing the assigned inspections. It's  
14 disappointing that some of the kind of evidence that  
15 was brought to me before the shutdown, wasn't found  
16 earlier, but that very often is the case.

17 That's why we use the systems of NASIPs,  
18 RASIPs, OSIPs and in focused inspections, because the  
19 principals, as I've testified earlier, spend a lot of  
20 their time reviewing systems and approving additional  
21 aircraft to the certificate, approving changes in the  
22 training program, in the maintenance program and things  
23 like that.

24 So they don't have the time to do the kind

1 of focused inspections that need to be done, and so we  
2 bring in other people with other eyes to do those  
3 inspections.

4 Q. Had Millon Air had any focused inspections  
5 in the year previous or --

6 A. I don't know.

7 Q. You don't know.

8 Do you recall that they had had two  
9 accidents in the year previous to the final accident  
10 and shutdown?

11 A. I'm not sure I knew that either.

12 Q. Well, they did and, in fact, they had two  
13 accidents, one fatal accident in Central America, and  
14 one non fatal accident here at Miami, the year  
15 preceding the fatal accident that killed fifty some  
16 people in South America.

17 Would those be indicators that would prompt  
18 a RASIP, or NASIP, or focus?

19 A. Yes.

20 Q. And you don't recall if any were done on  
21 Millon Air then?

22 A. No, I don't.

23 Q. Okay. I know you've answered previous  
24 questions about how you evaluate the effectiveness of

1 the FSDOs and inspectors by citing the PTRS and the  
2 work programs compliance, and I think you meant -- or  
3 completion of work programs and timeliness.

4           Do you use or does the FAA use the results  
5 of focused inspections as a criteria to evaluate the  
6 effectiveness of the FSDO?

7           A.     It contributes.

8           Q.     And how is that used?

9           A.     There are quite a number of factors that are  
10 considered, not just the results of those inspections,  
11 but those inspections do tend to have an effect, at  
12 least in my mind, of how effectively the office's  
13 programs are.

14          Q.     Is this an established directive, an FAA  
15 order? Is there some kind of a --

16          A.     There is no established directive or order  
17 that I'm aware of. There's the evaluation program, of  
18 which the Miami office has received a number of  
19 evaluations.

20          Q.     And those evaluations, I understood, were  
21 more administrative in nature, and not really looking  
22 at the effectiveness of the surveillance.

23          A.     They're both. It's true they are  
24 administrative in nature, but also they evaluate

1 whether the office is accomplishing the assigned work.

2 Q. Is that a bean counting thing?

3 You say they're accomplishing assigned work.

4 Is that just a number's game or is it really looking  
5 at the quality of the surveillance?

6 A. I think it's both, but it's hard to define  
7 quality of surveillance.

8 Q. Well, --

9 A. It's one of those things. I think you and I  
10 know it when we see it.

11 Q. Well, if you had a NASIP or a RASIP that had  
12 a significant number of, I think Category C or the most  
13 egregious findings that are, I guess, safety of flight,  
14 possibly safety of flight issues, is there a systematic  
15 means by which the FAA evaluates whether or not these  
16 were the type that would not be found or should have  
17 been found through routine surveillance?

18 A. I think when you look at the individual  
19 findings that you can tell which ones would be a  
20 greater likelihood of finding on surveillance versus  
21 ones that would not.

22 Q. I'm sorry, I didn't understand that. Could  
23 you go over that again?

24 A. Give me your question again.

1 Q. Okay. If you had a significant number of  
2 safety Category C findings, does the FAA look at those  
3 to evaluate whether or not they should have been found?

4 A. Yes.

5 Q. And how do you do that?

6 A. By reviewing the individual, Fine Air.  
7 You're saying Category C.

8 Q. Well, maybe I got the wrong number then.

9 A. No, you're right, but I think you have to  
10 look at the individual finding, what it is, and make an  
11 educated guess whether that could have been discovered  
12 by normal surveillance, or whether it's very unlikely  
13 that it would be discovered by normal surveillance.

14 Q. Well, I recall during the Millon Air case  
15 that the airplane had an accident. Part of the  
16 accident involved an engine failure, and we had people  
17 as well as the FAA into the carrier very quickly.

18 And within very short time identified that  
19 numerous engine components had exceeded hard times.  
20 This was not something that was hard to find. It was  
21 right in the paperwork.

22 That's an example of -- I'm wondering, is  
23 that an example of something you think that the PMI for  
24 that particular carrier should have picked up at some

1 point?

2 A. Yes, it is.

3 Q. Do you know whether or not the PMI in that  
4 kind of a case, does he receive some kind of a  
5 performance adjustment?

6 A. Yes, at times. That PMI reports to a unit  
7 supervisor. You had one of them here giving testimony.  
8 That unit supervisor is responsible for the  
9 performance of each of those people that work for him.

10 So I would presume, in the case like that,  
11 that an appropriate evaluation was made and remedial  
12 action would have been taken.

13 Q. And that type of program, is that FAA  
14 directive or order, is that spelled out as --

15 A. There are orders regarding performance  
16 management. I think that's what we're talking about  
17 here. Yes.

18 Q. Okay. Captain Ivey's been over the various  
19 inspections and the number of inspections that Fine Air  
20 -- and we've also, during the testimony, discussed the  
21 results of these different inspections and had the  
22 leaders of two of the teams testify.

23 But the latest one that happened right after  
24 the accident has in the Executive Summary, the RASIP,

1 and I quote.

2 "The findings of the team are an indication  
3 of a systemic problem at Fine Airlines."

4 Now, this is late August of '97.

5 A. Yes.

6 Q. Do you think that was an accurate statement  
7 in that report?

8 A. Yes, I do.

9 Q. And how do you explain that there was  
10 determined to be a systemic problem, as cited by this  
11 team, when the previous inspections, NASIP, OSIP, DOT,  
12 did not identify systemic problems?

13 A. I think the focus of the earlier inspections  
14 were different and perhaps not as adequate as the  
15 focused inspection.

16 Q. Along the same lines as our earlier  
17 discussion with Millon Air, do you believe that these  
18 findings were something that should have been uncovered  
19 during routine surveillance by the FSDO?

20 A. They should have been uncovered by the  
21 airline themselves.

22 Q. And in this case, apparently -- well, they  
23 weren't.

24 Do you believe that the FSDO should have



1 found them?

2 A. Yes, I do.

3 Q. Has there been any remedial actions taken in  
4 this particular case to perhaps adjust the program,  
5 adjust the work of the FSDO, to prevent this from  
6 happening again?

7 A. There have been reassignments and new  
8 emphasis areas created, and we are asking first level  
9 supervisors to do more over the shoulder evaluation of  
10 their people, yes.

11 Q. Is this documented in any way that we would  
12 be able to get a paper trail to show how this --

13 A. I believe there's national directives, yes.

14 Q. National?

15 A. I believe there are national directives  
16 covering that, yes.

17 Q. Okay. We also asked you about the extent of  
18 surveillance that you've placed on Fine Air.

19 Based on the situation as it stands today,  
20 do you consider Fine Air a carrier that's under more  
21 focused surveillance than other carriers?

22 A. Yes.

23 Q. And why is that?

24 A. Because they're operating under a consent

1 order.

2 Q. Okay. Do you have other carriers in the  
3 Region or in the Miami FSDO area that are under similar  
4 scrutiny?

5 A. We have no other carriers that I'm aware of  
6 in the Miami office currently under a consent agreement  
7 or consent order.

8 I believe there are currently four consent  
9 agreements working on airlines in this country today.

10 Q. In the country?

11 A. Yes.

12 Q. How about in your Region?

13 A. There are two.

14 Q. What is the other carrier?

15 A. ValuJet.

16 Q. Okay. Do you, for any reason, anticipate  
17 equal focus on other cargo carriers in your Region?

18 A. Do I anticipate equal focus?

19 Q. Equal to Fine Air's current or in past  
20 focus.

21 A. No. And I have two of the largest cargo  
22 carriers in the world, FedEx and UPS. And to have that  
23 same intensity of inspection would take thousands of  
24 inspectors.

1 Q. But how about some other smaller  
2 supplementals?

3 Are there any of them that you're aware of  
4 any concerns that would require the type of scrutiny  
5 that Fine Air has been placed under?

6 A. Specific concerns, no, but earlier in my  
7 testimony I mentioned the combination of very old  
8 airplanes, less experienced crews, management operating  
9 on a smaller margin.

10 All of those facts, to me, point up carriers  
11 that need more intense inspections. That is good use  
12 of our manpower.

13 Q. I've asked this question of people in a  
14 similar position probably the last ten years.

15 A. And you haven't been satisfied with any of  
16 those answers.

17 Q. Well, I'd like to get your views on it. It  
18 has to do with the NASIP concept that you've got your  
19 principal inspectors in the FSDO do the routine daily  
20 surveillance.

21 They know the airline, they know the pulse  
22 of the airline. And then you --

23 A. They actually do the routine daily  
24 certificate maintenance more than they do surveillance,

1 and that's one of the problems.

2 Q. That's one of the problems?

3 A. Yes, their time is used up doing things like  
4 adding aircraft to certificates, reviewing changes to  
5 manuals, reviewing changes to the various programs that  
6 the airline has to have by regulatory requirements, so  
7 they don't have as much time to do focused inspections.

8 Q. That's the same answer I got ten years ago,  
9 where commuters were growing so fast that the  
10 inspectors didn't have time to do surveillance, and  
11 they were spending all their time putting new airlines  
12 on the certificate.

13 Don't they have the authority, doesn't the  
14 FSDO manager or the supervisor have the authority to  
15 break this work out, and say you are going to do forty  
16 percent of your work on surveillance, and the airline  
17 is just going to have to wait to get the airline on the  
18 ticket?

19 A. They do have that authority, and they do  
20 exercise it.

21 Q. Is it discretionary or is there guidelines?  
22 Is there national orders that say what comes first,  
23 surveillance or --

24 A. There are. There's the national program

1 guidelines. And the beginning of it says the objective  
2 is to spend thirty-five percent of inspector manpower  
3 on surveillance and inspections.

4 Q. Thirty-five percent.

5 A. Correct.

6 Q. Okay. And to continue on the thirty-five  
7 percent, the principal inspector does the work and is  
8 responsible for attempting to evaluate the compliance  
9 by the carrier.

10 I know the carrier is responsible for  
11 complying with the regulations. Then a national team  
12 comes in and has a bunch of findings, or we have an  
13 accident, such as Millon Air, and we find things that  
14 we think the principal should have found.

15 A. Is your point that that inspector is  
16 derelict in his duty?

17 Q. I'm sorry?

18 A. Is your point --

19 Q. No, no, no I'm sorry.

20 What I'm getting to is now the report is  
21 written, the finding and then the NASIP team is  
22 divorced totally from the closeout of the findings.

23 And we turn the closeout responsibility back  
24 over to the principal inspector, and that doesn't seem

1 to -- does that seem like appropriate methodology?

2 A. It is the methodology that is used. At  
3 times, we've involved teams in remedial action, but the  
4 remedial action goes on for so long that it's  
5 impractical.

6 I believe we had a team leader here testify  
7 that he did the inspection on here, but he's from  
8 Milwaukee.

9 How would he be able to supervise the  
10 remedial action, without staying in Miami?

11 Q. Well, I understand the logistics of it.  
12 Even during this particular session here, we've heard  
13 that some of the RASIP findings, according to the  
14 principals, are wrong.

15 And it's interesting that the Government  
16 spent this money to send a team in here and come up  
17 with a report and cite findings that cite violations of  
18 regulations, and yet the principal turns around and  
19 says the guy's wrong.

20 And I don't see a mechanism or is there a  
21 mechanism by which that can be sorted out, who's right  
22 and wrong?

23 A. Yes, there is. But remember, this is a  
24 human endeavor and humans do make mistakes. But the

1 RASIP itself, the inspection and all those findings are  
2 put into the program tracking and reporting system.

3 Each one of the closeout activities for each  
4 one of those also goes in that system. It's reviewed  
5 by at least the next higher authority, that is the unit  
6 supervisor.

7 It may as well be reviewed by the office  
8 manager, and that's one of the first things that the  
9 Regional evaluation team looks at.

10 So I believe that's an effective system.

11 Q. Okay.

12 A. It's not one hundred percent, however.

13 Q. Along that line, and I know we're going to  
14 ask some Headquarters' people some questions, but there  
15 is a GAO report from 1996 that takes strong issue with  
16 the quality of some of the PTRS material.

17 Are you aware of that report?

18 A. Yes, I am.

19 Q. Have there been any changes, as a result of  
20 the -- well, there's actually a DOT IG and there's a  
21 GAO critique of the quality of the SPAS and the PTRS  
22 system.

23 Could you comment on that? Has there been  
24 any changes? Is this report inaccurate?

1           A.     That report, I believe, is accurate. I'm  
2 not an expert at electronic data processing systems.

3                     That system is under some refinement and the  
4 outside expertise comes from the Transportation Safety  
5 Center up in Cambridge, as well as Sandia Labs. Both  
6 are reputed national experts at these kinds of systems.

7           Q.     Are you aware, since these reports came out,  
8 of any significant changes in your Region that you've  
9 implemented or at the FSDOs to improve the quality of  
10 the data that's in the PTR system?

11          A.     There is a national emphasis to improve the  
12 quality of the individual entries, as well as to  
13 improve the whole system.

14                     Sometimes it's referred to as a legacy  
15 system, meaning it's old. And you have to remember  
16 when it was originally put together, the capability of  
17 computers was much more limited.

18                     For instance, you've heard some of our  
19 inspectors refer to the codes they use for each one of  
20 the work activities, the four digit code.

21                     The reason for that four digit code was  
22 because originally, the computers didn't have enough  
23 capacity for us to spell out a ramp check or whatever.

24                     So the system is constantly being improved.



1 Whether it's as effective as we would like, it probably  
2 never will be, but most Government computer systems are  
3 under some review.

4           You've probably heard that the IRS computer  
5 system is subject to some criticism as well.

6       Q.     Okay. Just one last area, and Captain Ivey  
7 also touched on this about the --

8       A.     Excuse me. Can I have a drink of water?

9       Q.     Oh, sure. I'm sorry.

10      A.     Thanks very much.

11      Q.     And this area has to do with the -- I'll  
12 call it the public debate about the Southern Region  
13 that resulted from the ValuJet accidents and those  
14 events there.

15            And I know there's been at least local media  
16 coverage in the Miami area regarding the situation with  
17 Fine Air in the Miami area.

18            Do you believe, in your position, that FSDO  
19 19 is equipped and staffed to do its job effectively  
20 today?

21      A.     Yes, I believe it is appropriately equipped  
22 to do its job. I think the management here would  
23 always like more people so they could do more intensive  
24 -- more work.

1           But I think going back to what I said  
2 earlier, it's hard to inspect in quality. I think what  
3 we need to do is get the airlines internal systems to  
4 shoulder more of the burden.

5           Q.     And I know we've made a recommendation, the  
6 NTSB did, in the ValuJet report, that you increase the  
7 staffing and so forth in the Atlanta area to cover what  
8 has happened with ValuJet.

9                     Has that taken place?

10          A.     Yes, that has taken place.

11          Q.     And has that hindered in any way your  
12 ability to beef up the Miami area?

13          A.     Not really. Miami is the largest office we  
14 have in the country and it's supplemented by another  
15 office right up the road in Fort Lauderdale with  
16 another sixty people, and FSDO 23 upstairs doing  
17 international work with another thirty people.

18                     So it's --

19          Q.     Did you hear the testimony about the  
20 "competitiveness" between FSDO 19 and 23?

21          A.     Yes, I did.

22          Q.     Do you have any comments on that?

23          A.     I think there's ninety-nine offices around  
24 the country. I have one of them that the office

1 manager, when he answers the phone, he says this is the  
2 full service FSDO.

3 There's competition among -- good spirited  
4 competition, I might add, that people just want to be  
5 doing a good, effective job.

6 Q. So we shouldn't interpret any negative  
7 indications from that comment by the principal  
8 inspector about the competitiveness?

9 A. No, I don't think any negative connotation  
10 there, no.

11 MR. SCHLEEDE: Okay, thank you very much,  
12 sir.

13 MR. BENZON: John?

14 MR. ZAPPIA: Yeah.

15 Just first off for clarification on the  
16 consent agreement that was entered into between Fine  
17 Air and the FAA.

18 It specifically states on the first page:

19 "The FAA acknowledges that this payment is  
20 not a fine, penalty or punitive sanction of any other  
21 nature, but compensatory and remedial in nature," and I  
22 just wanted to clarify that for the record.

23 Real quick. I've only got a couple  
24 questions.

1 EXAMINATION

2 BY MR. ZAPPIA:

3 Q. Mr. Sacrey, would you agree that the Fine  
4 Air accident and subsequent RASIP disclosed many issues  
5 which were common in the cargo industry?

6 In other words, not unique just to Fine Air?

7 A. Well, I think the specific things that were  
8 found were unique to Fine Air, but I admit that there  
9 are defects found in other carriers of the industry, if  
10 that's what you mean.

11 Q. Have you received or do you have knowledge  
12 of the input back to your office generated by these  
13 handbook bulletins that have come out?

14 Have you been able to review any of that  
15 data?

16 A. I have not.

17 Q. Do you know when that data will be reviewed?

18 A. It's probably being reviewed right now, just  
19 not by me.

20 Q. And would you expect some changes in  
21 surveillance or in procedures for other cargo carriers  
22 of the same nature and size?

23 I know you've brought up you have the two  
24 major cargo carriers like FedEx and UPS, but you also

1 established that there are certain standards way far  
2 beyond and above regulatory compliance that some of  
3 these carriers with huge infrastructures have.

4 Not those carriers, but the smaller cargo  
5 carriers similar in size to Fine Air or that kind of  
6 operation, would you expect that this bulletin  
7 information would provide new guidance towards  
8 oversight and increased activities in those carriers?

9 A. Yes, I would. I think what we're looking  
10 for is the best practices in the industry and we're  
11 hoping that other people in the industry will adopt  
12 those best practices.

13 MR. ZAPPPIA: Okay, I have no further  
14 questions.

15 MR. BENZON: I'm sorry, are you done, John?

16 MR. ZAPPPIA: Yes.

17 MR. BENZON: Joe?

18 MR. MANNO: I have no questions. I just  
19 want a clarification on that handbook bulletin with the  
20 date. That's a typo.

21 And I've been in touch with AFS-300 and  
22 they've CC'd mail to the FSDO here that that was a  
23 typo. It should be '98 when it expires.

24 MR. BENZON: Yeah, it didn't seem right. Two

1 months worth wasn't hardly worth it.

2 MR. ZAPPIA: Well, while clarifying things,  
3 we need to clarify one subject Frank brought up, which  
4 was about the Airborne wet lease.

5 That would not be the wet lease, that would  
6 be the interchange agreement in reference to the topic  
7 of conversation of the wet lease in the Stage 3  
8 aircraft.

9 MR. MCGILL: Correct. You do have a wet  
10 lease arrangement, but that did not carry over on a  
11 Part 91 --

12 MR. ZAPPIA: Correct. The topic of  
13 conversation being Stage 3, would be the interchange  
14 agreement and not the wet lease.

15 MR. MCGILL: Right.

16 MR. BENZON: Okay. Raymundo?

17 MR. POLANCO: No questions.

18 MR. BENZON: Okay.

19 Sir, we'll give you one last chance to say  
20 anything you need to say, answer any questions we  
21 forgot to ask.

22 THE WITNESS: No. You're trying to  
23 construct a record here and trying to get to the bottom  
24 of things, and I'm happy to be of service.

1 I'm available for recall if you have more  
2 questions.

3 MR. BENZON: Okay. We appreciate it. It  
4 was very informative.

5 (Whereupon, at 8:48 a.m., the  
6 deposition was concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA            )  
  ) SS.:  
COUNTY OF PALM BEACH    )

I, EDNA HOLLANDER, Court Reporter/Notary Public in and for the State of Florida at Large, do hereby certify that I was authorized to and did report the foregoing deposition of WILLIAM MICHAEL SACREY, a witness herein; that the foregoing pages numbered 1 through 61, inclusive, constitute a true and accurate record thereof.

I further certify that I am not of counsel; I am not related to nor employed by an attorney to this action; I am not financially interested in the outcome thereof.

Witness my hand and seal this 29th day of November, 1997, in the City of Boca Raton, County of Palm Beach, State of Florida.

\_\_\_\_\_

Edna Hollander



