

BEFORE THE
NATIONAL TRANSPORTATION SAFETY BOARD

-----x
)
Interview of:)
)
DAVID E. HANLEY) Docket No.SA-521
)
)
)
-----x

Date: Tuesday, July 16, 2002
12:10 p.m.

Location: FAA Great Lakes Regional Office
230 East Devon Avenue
DesPlaines, Illinois 60018

Taken by: Frank McGill
Maintenance Air Safety
Investigator

APPEARANCES:

FRANK MCGILL, Maintenance Air Safety Investigator, NTSB

DAVID E. HANLEY, Witness

CAPT. TODD GUNTHER, Chairman, Accident Investigation Board

LYLE K. STREETER, Air Safety Investigator

DAVID W. HOFFSTETTER, President, Tennessee Technical Services, LLC

CLINT S. THAYER, Boeing Airplane Maintenance Data Engineering

FRANK HILLDRUP, NTSB Air Safety Investigator

THOMAS M. WOOD, Aviation Consultant

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

P R O C E E D I N G S

MR. MCGILL: Good afternoon, Dave. Can you start off very quickly and tell us about the position you now hold at -- and a little bit about your background?

MR. HANLEY: Sure. My name is David Hanley and I am the Manager of the Flight Standards Division, Great Lakes Region. I have been in this position for a little over 11 years.

I have oversight over Flight Standard's regulatory programs in the eight-state Great Lakes Region area. That's both general aviation and air carrier programs.

I've been with the FAA for 25 years. The majority of that time has been in Flight Standards in various capacities. As a Division Manager, a Staff Manager, Assistant Division Manager, Branch Manager, Field Inspector, both general aviation and air carrier with a specialty in operations.

And prior to FAA, I was a commuter airline pilot and a chief pilot of an air taxi operation and chief flight instructor at a FAA-approved flight school

MR. MCGILL: Thank you. May I start out by

1 asking you some changes that perhaps are taking place
2 within the inside of the FAA. I'm referring to a DOT
3 Inspector General Report that was presented to Congress
4 in December of last year, that talked about the
5 efficiencies of oversight of CASS programs amongst
6 operators. And how these deficiencies were not being
7 properly handled in a timely manner.

8 My question is has any change been made since
9 this IG Report, that you know of, inside the FAA?

10 MR. HANLEY: There is -- yes. There have been
11 a number of activities and some substantial activities
12 that are actually kicking off this month. But I, I
13 believe the IG Report essentially identified what the
14 FAA had already identified itself in its National
15 Program Review, where it took a look at four key program
16 areas on nine major carriers.

17 And CASS was one of those areas. Also
18 reliability, safety programs and internal evaluation.

19 And while that was a national effort done by
20 national audit teams, it did generate findings in CASS
21 and these other program areas that the, the major air
22 carriers were required to correct. And of course then
23 the following question is then what about the rest of
24 the industry?

1 Now, what FAA has done is taking the
2 information that it learned from the NPR and working
3 with field inspectors and headquarters personnel, has
4 crafted an inspection job aide to more thoroughly
5 evaluate CASS programs at all of the Part 121 air
6 carriers.

7 And in fact, this month, I know in this
8 region, because I was briefed on it last week in general
9 terms. But over the next couple of weeks, there will be
10 a joint team, joint between my regional office staff and
11 the CSET team, Certification, Standardization and
12 Evaluation Team, to go to each Part 121 certificate-
13 holding district office and train them on the use of
14 this new inspection job aide for evaluating CASS.

15 And then the local certificate management
16 teams will, in turn, employ that job aide in inspecting
17 the CASS programs at their respective air carriers.

18 MR. MCGILL: There was also another report
19 issued from the Inspector General criticizing the FAA.
20 This came out in April of this year. Where it was
21 stated that FAA inspectors received minimal training.
22 And in some of the interviews with these inspectors,
23 they even said it was inadequate.

24 They included maintenance bases that they were

1 supposed to oversee, that were located far from the
2 airline themselves. And they talked about training or
3 this, pardon, lack of training for this oversight on
4 airplanes that they were told to check.

5 Do you know if there's been any changes in
6 this area within the FAA?

7 MR. HANLEY: Yes. There have been significant
8 changes.

9 I believe that is, that IG Report was dealing
10 with ATOS, the Air Transportation Oversight System,
11 which is currently in effect with ten major air
12 carriers. And the FAA is in the process of developing
13 an implementation scheme to take ATOS to the remaining
14 130, 140, 121 carriers that are out there.

15 But the findings, with regard to location of
16 geographic inspectors, perhaps not being optimal for the
17 support of the Certificate Management Team surveillance
18 on that carrier. And the training of the inspectors
19 assigned to the airline on that Certificate Management
20 Team.

21 These OIG Report findings were largely a
22 repeat of the FAA ATOS Special Inspection Report
23 findings, which was a team that I led that developed 40-
24 some recommendations on improvements that were needed to

1 ATOS.

2 What the OIG did was shadow me during that
3 special project and essentially take the Flight
4 Standard's action plan that was responsive to those 40-
5 some recommendations and highlight the status of them.
6 And then reiterate the needed improvements in some
7 areas.

8 Now, specifically on the subject of inspector
9 location and training, there are quite a few things that
10 have changed. Training, I'll touch on first.

11 The ATOS initial training course was revamped
12 and upgraded. That's been completed some time ago. And
13 the ATOS recurrent training course has been developed
14 and is now in the process of being delivered.

15 A system safety training course has been
16 developed. And our inspectors assigned to ATOS have
17 been put through that. And, in fact, we're in the
18 process of putting all of our air carrier inspectors
19 through the system safety training course as a precursor
20 for them moving into ATOS. So, they'll have a little
21 bit better foundation in system safety concept before
22 they transition their CMTs to ATOS.

23 And more recently, in fact, just within the
24 last few weeks, a policy change was approved by the

1 Director of Flight Standards, AFS-1, that will enhance
2 aircraft-specific training for principle inspectors and
3 CMT members.

4 Specifically, starting with the fiscal year 03
5 training cycle, which begins in October, the, we will be
6 programming the principle inspectors for training to
7 ensure that they have had aircraft-specific training on
8 at least one of the types of aircraft that their carrier
9 is assigned.

10 And that they have access to an inspector in
11 their office that has had aircraft-specific training on
12 all of the fleets, that the different types of aircraft,
13 that they're carrier-assigned.

14 So, well, that largely had occurred already
15 through the normal training cycle. There were some
16 gaps. And we identified those gaps in the process of
17 the surveillance and evaluation program, the SET
18 Program, that we've implemented over the last couple of
19 years. And now, we're closing those gaps in the policy
20 and in the formal training program.

21 That's training.

22 Now, on the subject of geographic inspector
23 location.

24 The issues that the IG raised there was

1 geographic inspectors not being at the ideal location to
2 support their CMTs. That was a known issue at the time
3 we implemented ATOS, back in October of 1998. And it
4 was a planned migration as those, as we had attrition in
5 those geographic inspector ranks, they would be back-
6 filled in locations that were more suitably located for
7 effective oversight. And that had largely occurred.

8 There's actually a fairly small number of what
9 we would call less than optimum locations of geographic
10 inspectors as ATOS sits today.

11 But another issue on that is the, the
12 Certificate Management offices for these ATOS carriers
13 want the geographic inspectors under their direct
14 control. And we -- so, they're totally dedicated to the
15 surveillance on those carriers without other local field
16 office responsibilities.

17 So, that's the direction we're taking that
18 right now. And, in fact, we are, right at this time --
19 well, they were planning to transition to that new
20 structure where the geographics report directly to the
21 CMO on all ten ATOS carriers. We are going to test the
22 transition on two carriers first, Northwest Airlines and
23 Continental Airlines. Again, those tests are
24 just now kicking off. So, over the next, over the

1 coming months, we will be formulating a Certificate
2 Management Team for the geographics report, for example,
3 to the Northwest CMO.

4 Once we are confident that we can make that
5 transition successfully and properly staff the CMT with
6 direct report geographics, then we will follow through
7 with that with the remaining 80 ATOS carriers.

8 MR. MCGILL: The, your, this is all good news,
9 I guess, for the ATOS. But what about the other non-
10 ATOS certifications? Are those safety inspectors also
11 going to be receiving the same type of training for the
12 certificates that they're assigned to?

13 MR. HANLEY: Yeah. That will all be part of
14 the migration strategy, if you will, to transition the
15 remaining CMTs to ATOS. And that there is, in fact, a
16 joint management Union work group that was chartered
17 approximately a month ago to initiate the process of
18 developing that migration scheme.

19 MR. MCGILL: Well, what is the purpose -- if
20 you have a geographic inspector, for instance, in your
21 FSDO, but he's assigned to a Certificate Management Team
22 of another ATOS carrier that's 1,000 miles away, are
23 they selecting that geographic person because the
24 airplanes are coming through there? What is the reason?

1 MR. HANLEY: Yeah. What we require for this
2 new strategy, the direct report mechanism, what we are
3 doing is we're going to have the CMOs identify their
4 target locations. And their target locations are based
5 on a number of factors. But, probably the most
6 significant factors, what we call EPI opportunities.

7 EPIs, or Element Performance Inspections, are
8 one of two types of inspections that we do under ATOS.
9 And they are the inspections where we actually sample
10 the end product, if you will, of the carrier systems.
11 And typically, those EPI opportunities exist where a lot
12 of maintenance takes place, where a lot of training
13 takes place, where there are large hubs of operations,
14 where there are opportunities for us to do inspections.

15 And so, we would expect that the geographics
16 would be located where the carrier has major, for the
17 most part, where the carrier has major facilities and
18 major activities for these EPI surveillance
19 opportunities.

20 MR. MCGILL: So, the geographic inspector
21 would technically work for you or that they principally
22 --

23 MR. HANLEY: If I was a principle, you mean?

24 MR. MCGILL: No. I'm just saying, working, he

1 works in your FSDO, for instance. If a geographic --

2 MR. HANLEY: That's the way it is today.

3 MR. MCGILL: Well, yeah, the way it is. But a
4 principle of a ATOS carrier of some will replace, he's
5 over this, he could tell this geographic, "For the next
6 five days, I need you to do such and such."?

7 And he would have the authority to have the
8 inspector work for him?

9 MR. HANLEY: Not today. The way it exists
10 today --

11 MR. MCGILL: Not today.

12 MR. HANLEY: Okay.

13 MR. MCGILL: I agree. But --

14 MR. HANLEY: Yeah. Today, they build a work,
15 the principle inspector builds a work program, but it's
16 actually the local supervisor that formally assigns the
17 work. Okay?

18 But, in the, in the future, once we make this
19 transition, the geographic inspector will not report to
20 the principle inspector, but will report to the
21 geographic supervisor in the CMO, that reports to the
22 CMO manager.

23 Okay? So, your typical CMO structure would
24 have a supervisory POI, PMI and PAI. And then now, you

1 have another supervisor, a geographic supervisor. And
2 the geographics around the system will report to them.

3 They would then
4 have total work assignment responsibility of the
5 geographic. And that geographic out there at the remote
6 location will have no local office responsibilities.
7 They will reside in that office for logistical support
8 only.

9 MR. MCGILL: In the past, I've listened to
10 many problems occurring from principles of ATOS carriers
11 where they end up getting assigned a geographic that was
12 a general aviation inspector that lacked in skill level
13 to perform whatever he wanted done.

14 So, I guess that's going to be changed now.

15 MR. HANLEY: Well, there's, number one, to go
16 in, even today, to go into an air carrier inspector
17 position, you have to meet the aviation safety inspector
18 qualification standards for that air carrier position.
19 Okay?

20 The mere fact that they have worked in general
21 aviation in the past, they may still have enough -- or
22 been a general aviation inspector, that just may be the
23 way they entered the agency. Okay?

24 But they still have to meet the qualification

1 standards to make that leap to the air carrier position.
2 For example, operation inspector would have to have
3 time in a large aircraft and etcetera.

4 But what the principle inspectors say is now
5 we have to take and develop them. Okay? We would
6 rather pick our own people and hopefully have people
7 that have, have people that are current air carrier
8 inspectors. So, when they come in, they can hit the
9 ground running.

10 Well, they're probably going to get to do that
11 a little bit more. But, they'll also, they won't get to
12 do that all the time because they may still have to
13 recruit from general aviation inspector ranks or they
14 may occasionally have to hire new inspectors off the
15 street. Okay?

16 And so, there's still going to be some
17 development that has to occur.

18 MR. MCGILL: This historic, with the RASIP
19 Inspection Summary that was issued in January of 2000.
20 Reading through here, over where 36 pages, there were
21 many findings concerning the DC-8, or DC-10 airplane,
22 with different aspects from the manuals to escalation
23 for liability program.

24 There were statements that were made that

1 talked about existing problems, deferring of maintenance
2 chronic problems, multiple systems. And it ended up
3 with three category A-type findings and -- findings.

4 Could you just give me a general perspective
5 of what you observed and thought at the time when this
6 RASIP Report was issued?

7 MR. HANLEY: The, the focus of that RASIP,
8 having just received the certificate from, from another
9 region, was, well, it was on certificate management
10 issues. You know, the focus was not on going out and
11 surveilling day-to-day line operations and -- . There
12 was some of that that occurred but it was fairly
13 minimal.

14 Primarily focusing on, take a look at the
15 manuals, take a look at the OPS specs, take a look at
16 the maintenance programs, take a look at the
17 documentation. And, you know, what, you know, where is
18 this carrier at from a certificate management
19 perspective?

20 So, while that appears to be a relatively
21 small number of apparent violations cited in terms of
22 category A findings, that's probably because the focus
23 was more on certificate management than, than the line
24 operations and line maintenance.

1 And having just received a certificate from
2 another, another FAA office, another FAA region, the
3 team was focused on identifying what areas needed
4 improvement and changes. And then given the, and then
5 giving the carrier the opportunity to address those in
6 the close out of them.

7 MR. MCGILL: One of the comments was made by
8 the members of this inspection team, said that it
9 appears that the DC-10s -- and I believe at this time,
10 there were DC-10s on the certificate. Were placed in
11 operation without first ensuring that adequate
12 maintenance support was in place. It has parts and
13 training and so forth and so on.

14 And this is, and now I'm seeing, that they had
15 chronic problems on multiple systems. Was there any,
16 ever any consideration of taking the
17 DC-10s out of the program at this stage?

18 MR. HANLEY: I don't, I don't recall that
19 there was any consideration based upon, you know, what
20 sounds to me like an inspector's opinion there.
21 Essentially what we have to look at is what is the
22 findings? Okay?

23 Okay. If you make the statement that it
24 appears that something may not have happened back when

1 some, you know, some aircraft was put on the
2 certificate. That's all well and good. And that may be
3 the author's opinion when they wrote that.

4 But, when it gets down to you're going to
5 propose an OPS spec change to take an aircraft off the
6 certificate or you're going to propose some type of
7 certificate -- against the carrier, you're going to
8 need to be dealing with hard facts and what is the state
9 of the regulatory noncompliance today to support that?

10 And there wasn't, there wasn't anything that
11 came out of that RASIP that put us anywhere near even
12 contemplating that.

13 MR. MCGILL: Within about three months, there
14 was another 90-day surveillance inspection. Can you
15 talk a little about why that was done?

16 MR. HANLEY: Yeah. It's basically because the
17 focus of the RASIP was on certificate management and not
18 line operations, line maintenance. I felt that we
19 needed to look at that as well. And especially given
20 the nature of the findings in the original RASIP.

21 So, so, I organized a 90-day special
22 surveillance program with a team of inspectors to be
23 located in the maintenance control and doing ramp checks
24 and enroute inspections, system-wide, during that time

1 period. So that we would get a good look at their
2 actual operations.

3 MR. MCGILL: One of the comments on this
4 surveillance was that a team is still seeing evidence of
5 repeat write ups. Was that a concern, more so, at the
6 time?

7 MR. HANLEY: Yeah. Repeat write ups were a
8 concern. And also were one of the areas that we
9 identified for, for emphasis when we, when we put the
10 carrier under increased surveillance nationally.

11 MR. MCGILL: Earlier, we had heard from a
12 previous FSDO manager, talking about the process of
13 making this transfer from San Jose to the Great Lakes
14 Region. Can you tell me or go through the short ways of
15 how this process started and how long it took and the
16 maintenance?

17 MR. HANLEY: Yeah. It, I believe it started
18 in August of '98, when it was
19 carrier-initiated, requesting the certificate transfer
20 via correspondence to -- I think there were a number of
21 letters written to the San Jose office and to, to my
22 division here, possibly to the, the region of Western
23 Pacific.

24 And the request was for the certificate to be

1 transferred to the Detroit FSDO. Western Pacific
2 contacted me. You know, Dave Gilliom, the Division
3 Manager.

4 When a policy basically would coordinate these
5 at the divisional level when it's an inter-region
6 certificate transfer. Took a look at the situation.
7 And since Dayton -- everything appeared to be in Dayton
8 corporate headquarters. The whole, you know, records,
9 management, personnel, etcetera.

10 Dayton is in the district of the Cincinnati
11 FSDO, not in the Detroit FSDO district. And although we
12 do, from time to time, assign certificates outside the
13 normal district boundaries for various considerations,
14 we try, if at all possible, to locate the certificate in
15 the district, the local district, where the principle
16 operations base is.

17 And, in this case, I thought it would be more
18 prudent to have it located with the Cincinnati FSDO. It
19 was closer to Dayton than Detroit. And so I made the
20 decision that it would go to Cincinnati.

21 We, then Cincinnati did not have the inspector
22 resources, just worked on certificate at the time. So,
23 then we went about the recruitment effort to staff up a
24 Certificate Management Team.

1 That took a period of time. And it was in
2 October of '99, that we were in a position to actually
3 agree to a formal transfer to Dayton, between the two
4 regions. And then that transfer occurred on December
5 17th.

6 MR. MCGILL: Did you have a personal contact
7 with people at Emery?

8 MR. HANLEY: Only, only two times that I
9 recall. I believe, on one occasion, Tom Wood of Emery
10 visited with Frank Maly of my staff to just discuss the
11 status of the certificate transfer. And, and, and then
12 also Mr. Wood contacted me by telephone one time to
13 discuss the certificate, the status.

14 MR. MCGILL: The transition itself, we have
15 received quite a bit of testimony from inspectors and
16 others. Was there any concern, at the time they made
17 that, on the fitness of the certificate carrier coming
18 to you?

19 MR. HANLEY: There was a, there was a briefing
20 that was accomplished by the outgoing Certificate
21 Management Team to the new Certificate Management Team
22 in early December. And the Cincinnati folks went to San
23 Jose to be briefed on all of the outstanding issues.

24 And so, and prior to that, Mr. Gilliom and I

1 had spoken about, you know, the fact that they had a
2 number of enforcement cases open against the carrier.

3 So, yes. We were, I was aware that we were
4 receiving the certificate on a carrier that had a number
5 of pending enforcement cases. And that would likely
6 require a higher-than-normal level of oversight by our
7 region.

8 MR. MCGILL: Did you have another 121 carrier
9 for that FSDO?

10 MR. HANLEY: No. This was --

11 MR. MCGILL: So, this would be your --

12 MR. HANLEY: That's right.

13 MR. MCGILL: -- the only one that you would
14 handle oversight?

15 MR. HANLEY: Correct.

16 MR. MCGILL: This transition that was made on
17 December 17th, with regard to these outstanding
18 certificate actions that had been issued, were you going
19 to play any kind of a role in that or was it agreed upon
20 that San Jose would resolve all of these issues,
21 themselves, for the EIRs that were outstanding?

22 MR. HANLEY: Basically, it was agreed we would
23 just pick up the certificate on the, you know, and the
24 certificate manager responsibilities as of December

1 17th. And whatever was open, was open. And we would
2 deal with it on closing out. But the
3 enforcement cases, I mean, the protocol is those stay
4 with the region that initiated them. And the reason why
5 that is the protocol is because their inspectors are the
6 technical experts on those cases. They built them.
7 Their regional counsels and attorneys are the ones that
8 are familiar with the legal content of those cases.

9 And so, although cases can be transferred
10 between regions based upon mutual agreement, typically
11 they're just held and adjudicated where they were built.

12

13 And so, there was no, there was, there really
14 no, there was no agreement to transfer those cases. And
15 at the time we took the certificate, I don't even recall
16 if there was any substantive discussion about it.

17 MR. MCGILL: I notice, within a very short
18 time, by March, the letters are starting to appear from
19 several of the inspectors now, sent to the office. One
20 is the training manual is unacceptable and the various
21 operational pilot-type weight balance.

22

Insufficient
23 documentation for write offs. It continued on. It's,
24 it was picking up the MELs. And it seemed like it right

1 off the bat, that somebody was writing letters to
2 someone at Emery, several a week, in fact.

3 Do you recall -- the onset that you did see
4 that you had your hands full at this time?

5 MR. HANLEY: Yeah. Again, based upon the
6 RASIP results and then some, you know, discussions with
7 the office, you know, shortly after they took over the
8 certificate responsibilities, yes. I very definitely
9 had the impression that what we had here was a carrier
10 that required a heightened state of oversight.

11 And actually that's, you know, that's what led
12 into the special 90-day review that kicked off.

13 MR. MCGILL: Well, the 90-day review is done
14 in May.

15 MR. HANLEY: It started on February 28th.

16 MR. MCGILL: Well, I'm looking at it from a --
17 the RASIP finished on January 28th, 2000, and --

18 MR. HANLEY: Right.

19 MR. MCGILL: And since Mr. Hilldrup wrote the
20 cover sheet on this, I can't verify this date, but it
21 was a 90-day. And we had noted on here between May, --
22 I looked the 18th.

23 MR. HANLEY: Probably the final report.

24 MR. MCGILL: Okay.

1 MR. HANLEY: I asked for weekly reports during
2 that inspection.

3 MR. MCGILL: So, you're saying that there was
4 a kind of an ongoing --

5 MR. HANLEY: It started February 28th and it
6 ran through what's --

7 MR. MCGILL: And it just kept going.

8 MR. HANLEY: -- the final report.

9 MR. MCGILL: And then this final report, from
10 the 11th to 18, right here. That's just kind of a
11 summation of the, of the --

12 MR. HANLEY: Kind of a summation. But to get
13 the whole thing, you'd have to look at each and every
14 weekly report during that 90-day period.

15 MR. MCGILL: We pick up, by October, another
16 RASIP. What was the purpose of this one?

17 MR. HANLEY: Typically, when we, when we do a
18 RASIP inspection and we have a significant number of
19 findings, we do a follow up RASIP. And so that's what
20 we did in this case, to go back and take a look. Not
21 only because the initial RASIP had a number of
22 significant findings, but the, we had 22 enforcement
23 investigations that came out of the 90-day special
24 review, February through May.

1 And the Certificate Management Team was
2 focused on corrective action with the carrier throughout
3 the summer of 2000. And I wanted a RASIP team to go
4 back in there and take look at the state of things and
5 to follow up to close out the first RASIP and these
6 issues that were identified during the '98 safety
7 review.

8 MR. MCGILL: And there were quite a few of
9 them. And noting the category A of 43.

10 MR. HANLEY: I met with the CE, the then CEO,
11 Kent Scott, on April the 3rd of 2000. While that 90-day
12 safety review was going on so that we could kind of
13 express, so I could express concern to him and his
14 management team about the emerging issues from that 90-
15 day safety review.

16 And that meeting led to following meetings
17 between Emery and the Certificate Management Team, the
18 principles, to develop a corrective action plan to
19 address all these issues.

20 So, you know, that, the Emery and the FSDO
21 were in the process of, you know, executing that
22 corrective action plan throughout the summer and fall.
23 And this RASIP was to go back in and kind of take a look
24 at what, what is the state of things right now.

1 MR. MCGILL: What was the spirit of that
2 meeting? Were these Emery people responsive?

3 MR. HANLEY: They were very responsive. And
4 quite frankly, I felt that they were overwhelmed by the
5 level of surveillance that they were receiving from us.
6 I'd, in fact, you know, their, one of their top
7 management officials, Renee Vischer, at the time
8 expressed to me that, you know, we've got enough
9 information. We know what's wrong. Now, we need time
10 to fix it, okay?

11 And there was a request that I curtail the 90-
12 day inspection or scale it back so that they'd have a
13 little more breathing room to deal with some of the
14 issues that were emerging. And I didn't do that, but we
15 did, you know, we carried on throughout the planned 90-
16 day period.

17 But I did, you know, we did come to an
18 agreement to work to corrective actions between Emery
19 and the certificate holding office.

20 But the responsiveness of the carrier at that
21 meeting, their expressed willingness to work those
22 corrective actions was good. I was not any way, shape
23 or form rebuffed

24 MR. MCGILL: When did Mr. Vischer take over as

1 VP of Maintenance, roughly?

2 MR. HANLEY: Shortly after that meeting.

3 MR. MCGILL: No. I mean, but he had been in
4 that position before, right?

5 MR. HANLEY: Yeah. He had been --

6 MR. MCGILL: So, he had been with Emery for --

7 MR. HANLEY: Right. He had been with Emery
8 for some time. But his, his role, I recall after that
9 meeting, his role and his job title changed somewhat.
10 And he was given more authority.

11 MR. MCGILL: But, how --

12 MR. HOFFSTETTER: Can we take a short break to
13 make a quick trip to the rest room?

14 MR. MCGILL: Yeah. Well, you can go anytime.
15 Yeah.

16 What I was trying to determine is if these
17 people are, all of this stuff, these, from these RASIPs,
18 many, many problems here, existing. Did they not have
19 the experience at the time to know what it takes to keep
20 a carrier fit?

21 MR. HANLEY: The PMI told me that, in some
22 cases, Emery just didn't seem to understand the
23 requirements. And in other cases, they did. So, it's
24 kind of a mixed bag.

1 MR. MCGILL: So extending, you know, the
2 requirements of the 90-day inspection and then we're
3 coming in here. You go from a RASIP with three category
4 As to 43 within, you know, what, eight months or ten
5 months or something.

6 MR. HANLEY: Well, consider the focus of the
7 inspections also. The initial one was more on
8 certificate management, state of the manuals, OPS specs,
9 training programs, etcetera. More paperwork focused.

10 And the second one not only looked at the
11 status of the close out on those issues, but a lot of
12 the actual day-to-day operations as well. The hands on
13 stuff.

14 MR. MCGILL: But, it didn't look like they're
15 making progress from my perspective, from just reading
16 all of these findings, reading the responses to the
17 findings and observing what actions were taken by the
18 FAA. It just still seems that it's becoming even more
19 overwhelming all the time.

20 MR. HANLEY: The, my perspective was that they
21 were making progress on the specific initiatives and
22 there was a very large plan that was laid out. I
23 believe it had 80-some items in it that Emery was
24 working, that they had agreed to with he FSDO.

1 They were making progress on many of those
2 initiatives. Some of them were slipping somewhat, which
3 were somewhat of a frustration to the Certificate
4 Management Team, the principle inspectors.

5 Some of them were fully rectified to the, to
6 the CMT's liking.

7 But, the question was, for the improvement
8 initiatives that they had completed and were working on,
9 were they translating into an actual change in the line
10 operations? Were the airplanes being fixed? Were they
11 being, were things being corrected properly, deferred
12 properly? Was troubleshooting going on correctly?
13 Etcetera, etcetera. Okay?

14 And, you know, there's, there was, what the
15 RASIP showed me, the second one, was that those
16 improvement actions hadn't necessarily translated into
17 the corrections we were looking for yet on the line.
18 And that was a concern to me.

19 MR. MCGILL: So, after the October and early
20 November RASIP, there was another May focused inspection
21 that was conducted between May 7th and May 11th. What
22 is focused inspection? What was that?

23 MR. HANLEY: Are you talking about May of
24 2000?

1 MR. MCGILL: Yes. May of 2001.

2 MR. HANLEY: Okay. That was, that one was
3 from May 7th to June 22nd.

4 MR. MCGILL: Oh, 22nd.

5 MR. HANLEY: Right. And that, that inspection
6 -- okay. On February 13th of 2001, in this very room
7 right here, okay? We had a meeting with Emery. Okay?
8 With their, their new CEO, Jerry Trimarco. Okay?

9 The meeting was at his request. Okay? And
10 we, at that meeting, he wanted to brief us on, you know,
11 being aware of the concerns that the FAA had as
12 articulated by the principle inspectors to him and his
13 senior management. And as are articulated by me during
14 telephone conversations that we had. Okay?

15 He wanted to come up here and brief us on the
16 status of their, the actions that Emery was taking to
17 address these concerns.

18 So, we had that meeting here on February 13th.
19 And we looked at the grand plan, all the initiatives
20 that were underway. And got a status update on the more
21 significant initiatives.

22 And at that meeting, I discussed, you know, a
23 couple of incidents that had occurred that appeared to
24 have maintenance causal factors. And I discussed some

1 ongoing surveillance findings that we had. And, and
2 discussed the findings in the RASIP, specifically with
3 respect to fixing the aircraft when they break on the
4 line. Okay?

5 And my statement, my statement to them at that
6 meeting was that these improvement initiatives in this
7 plan are important. And you need to stay with it and
8 you need to see these through.

9 However, you need to immediately fix the
10 airplanes when they break or defer the items properly.
11 Okay?

12 So, that was a warning, per se, to them, that,
13 you know, that we have significant concerns in this area
14 of repeat write ups and fixing the airplanes when they
15 break and the improper deferrals and the kinds of things
16 that we found on the most recent RASIP and the kinds of
17 things we're still seeing in day-to-day surveillance.

18 So, the special inspection that kicked off
19 from May to June. I sent another team in there
20 specifically to look at the aircraft maintenance log
21 book pages for the months of March and April. Okay?
22 March and April of 2001.

23 And look at the write ups that the pilots were
24 making or that mechanics were making or what have you,

1 in those aircraft log pages, generally pilot write ups.

2 Okay? And

3 look at the corrective action and look at the

4 maintenance manuals and determine is that corrective

5 action appropriate? Did the appropriate troubleshooting

6 occur? Did the item get fixed or was it repeated again

7 in the future? Of if there's an MEL deferral, was it,

8 is it deferred properly?

9 And that was the focus of that inspection that

10 went on for those several weeks.

11 MR. MCGILL: And, there's a lot of -- they

12 gather a lot of information.

13 MR. HANLEY: Yeah.

14 MR. MCGILL: And most of it is not very good.

15 MR. HANLEY: Right.

16 MR. MCGILL: What was your next step at that

17 point?

18 MR. HANLEY: Our next step then was to --

19 okay. After that inspection, the, basically the

20 briefing of the, of the team, of the team leader to me

21 was to the effect that they're, to a very large extent,

22 systemically, they are not repairing the aircraft

23 properly when things break. They're not doing the

24 appropriate troubleshooting.

1 -- you're talking about you got a new president here.

2 Maybe you should have done it with the old president.

3 Is it ever the role to come in and say, "We're
4 finding serious, serious problems here. Now, I can't
5 tell you how to run the air carrier, but these are some
6 actions that you're going to have to address and now."?

7 Do you ever get that stern or that forceful?

8 MR. HANLEY: Yes.

9 MR. MCGILL: And still, the responses were
10 right here? I mean, it's hard to believe that.

11 MR. HANLEY: It happens, you know. Exactly
12 why it happens, I don't know. It's probably a
13 combination of factors, you know.

14 Again, Mr. Trimarco was held in high regard by
15 myself, was held in high regard by the principle
16 inspectors. We believed him to be a person of his word
17 and that he really wanted to do the right thing and get
18 this situation turned around. Okay?

19 Why it didn't get turned around or it didn't
20 get turned around in time? That would be speculation on
21 my part.

22 But then, continuing with the question, what
23 did I do with it from that point in time. It was
24 apparent to me then that a certificate action was

1 appropriate, to put the carrier on the ground. And so,
2 that's when we, those enforcement cases put the
3 recommendation of emergency revocation of the air
4 operator certificate and forward them to legal.

5 MR. MCGILL: Good. Was any consideration ever
6 to just stop flying about half your airplanes and get
7 them fixed and take them off and fix those? I'm sure
8 you received the same type of ALPA, stacks of ALPA
9 documents that the pilots were turning to everyone in
10 the country, I guess.

11 MR. HANLEY: Well, we, we saw the initial
12 safety report that was published a few months before we
13 got the certificate. And that, with ALPA, upon getting
14 the certificate.

15 Here at the regional office, I met with Thomas
16 Rachford. And what came out of that meeting was
17 essentially a recommendation that ALPA and the
18 Cincinnati office have monthly meetings and do a how
19 goes it and set up a mechanism where ALPA could funnel
20 their information to the certificate-holding office.
21 And where the certificate-holding office could give ALPA
22 feedback on what they were doing to address these
23 situations and where the carrier was at on it. Okay?

24 And I think a couple of those meetings were

1 held within, my information was, they gradually, they
2 stopped being held on a regular basis. ALPA, my
3 information was that ALPA quit coming to the meetings or
4 following through with attending the meetings.

5 MR. MCGILL: But obviously, they did because
6 they continued to send other people this information. I
7 was receiving documents nearly to the, you know, until
8 they shut down, of just about everything.

9 And even though they were not as well
10 documented as they should have been --

11 MR. HANLEY: A lot of the ALPA documentation
12 wasn't actionable, we found. But, a lot of what they
13 were attempting to convey to us, you know, were, you
14 know, our surveillance bore out were, in fact,
15 legitimate problems and needed action.

16 MR. MCGILL: After Mr. Howard, back in
17 December of '99, wrote the letter that the D-74 and the
18 D-76 OPS specs would be taken away. Three months later,
19 Ms. Elgee writes this letter here. Was that part now at
20 that point, were you involved with this, how this was
21 being addressed at this time?

22 MR. HANLEY: Not in that specific issue. No.
23 My dealings with their Certificate Management Team on
24 the reliability program were all within the context that

1 there were deficiencies in the program and it needed to
2 be rewritten, a complete rewrite. And that Emery had
3 agreed to do that and that was in progress.

4 And I believe that was --

5 MR. MCGILL: So, you really didn't have a role
6 with the, whatever was being transpired --

7 MR. HANLEY: No.

8 MR. MCGILL: -- between the other office and
9 even though at this time, it's in March of 2000. They
10 just copied you to let you know what was happening?

11 MR. HANLEY: I don't, I don't know whether I
12 was copied on it or not.

13 MR. MCGILL: Yeah. I don't see your name on
14 here.

15 MR. HANLEY: I really have no recollection of
16 that letter other than as it came up in these
17 proceedings here.

18 MR. MCGILL: When Emery agreed to temporarily
19 cease operations, the FAA issued, I believe it was Ms.
20 Mayupsun that wrote it.

21 But, the inspectors uncovered more than 100
22 apparent violations. And then it included all of these
23 things.

24 Was it your understanding that your office, at

1 that time, had 100 apparent violations?

2 MR. HANLEY: Not counting multi-flight
3 violations. It was, you know, well in excess of 100.
4 If you want to take a series of flight, multi-flight
5 violations say for, you know, you had one problem with
6 one airplane and it flew on, you know, 100 flights or
7 whatever. You can get into some fairly large numbers.

8 But just basic instances of apparent
9 noncompliance. Yes. In excess of 100.

10 MR. MCGILL: I notice that the end of the -- I
11 know I'm jumping around here and there, but my thought
12 process is not the way it ought to be.

13 We're back on the RASIP of October, November
14 of 2000.

15 I notice that in the factual report, that the
16 NTSB did the maintenance records. Group Chairman wrote
17 in there that the, Mr. Camden at that time, indicated
18 that all RASIP discrepancy findings had been addressed
19 as of September of 2000. Do you recall that that was --

20 MR. HANLEY: That's probably correct because
21 typically, we would not initiate a -- if he's talking
22 about the findings from the January RASIP, right after
23 we took the certificate transfer.

24 That's probably correct

1 because we typically would not initiate a follow up
2 RASIP until those findings, the principles tell us the
3 findings from the first one are closed.

4 But what that would mean is that there was a
5 specific action taken by the carrier and verified by the
6 principle inspectors for each of the findings in the
7 previous. And then that allowed them to make a database
8 entry in PTRS, our Program Tracking and Reporting
9 System, responsive to those findings.

10 MR. MCGILL: So, either here, you make, it's
11 addressed by the carrier or we find it might have been
12 just an allegation all along.

13 MR. HANLEY: It couldn't be substantiated.

14 MR. MCGILL: Really not, could not be
15 substantiated. Or you propose some sort of a fine for
16 the violation. Is that the normal process?

17 MR. HANLEY: Correct.

18 MR. MCGILL: Do you recall some of these fines
19 that were proposed? I'm just looking at a couple here.
20 HASMATH , oh, about a half a million and another one for
21 93,000. I don't know what others were done.

22 MR. HANLEY: Well, the HASMATH is not handled
23 by Flight Standards. That's handled by our security
24 division.

1 So, that was a, that was a nonissue --

2 MR. MCGILL: That's a nonissue.

3 MR. HANLEY: -- as far as we were concerned.

4 That wasn't under our particular purview

5 And even in the, in the final settlement
6 agreement with the carrier, that was excluded from
7 consideration and remained open to be handled by the
8 security division.

9 MR. MCGILL: What about the other fines?

10 MR. HANLEY: The, in 2000, the year 2000,
11 okay? There were enforcement cases that came out of the
12 90-day special emphasis surveillance. And then there
13 were enforcement cases that came out of the, the RASIP
14 in October, November. Okay?

15 Some of those cases were, particularly the
16 ones from the 90-day special surveillance, those cases
17 were initiated. And by initiated, I mean legal reviewed
18 them and took the first step in the action of sending
19 notice of, sending either a notice of proposed civil
20 penalty or civil penalty letter to the carrier.

21 The RASIP cases were processed and ready to be
22 initiated. But I met with legal because of the, the
23 preliminary findings of the May, June, 2001, special
24 inspection team, and said, Let's, let's hold off on

1 sending the enforcement letters for those cases to
2 headquarters because we may have a certificate action on
3 our hands here. And if we have a
4 certificate action on our hands, we do not want to
5 initiate the RASIP cases as civil penalty actions. We
6 want to roll those into the certification action."

7 So, that's what we did.

8 So, when we, when we actually got ready, in
9 August, to take the certificate action, the draft
10 emergency order of revocation that had been prepared to
11 be issued if it were needed contained not only the May,
12 June special inspection cases, but it also contained the
13 RASIP, the second RASIP enforcement cases. And it
14 contained some other cases that were prepared by the
15 Certificate Management Team based on their surveillance.

16 MR. MCGILL: Then what about the, some of the
17 enforcement actions that were still felt over from San
18 Jose?

19 MR. HANLEY: By that, by that point in time,
20 those were considered fairly old cases and kind of
21 overcome by events. But that they were, they were
22 handled as a part of the final settlement agreement.
23 But they, they were not included in the draft emergency
24 order of revocation.

1 And, and then a fairly massive project of
2 incorporating all of these enforcement cases into a, a
3 draft emergency order of revocation, that, I think, when
4 the drafting got done, was somewhere between 75 and 100
5 pages in length, just outlining the apparent violations.

6 And that took July and then in, I think,
7 sometime in the first week of August, the, those cases
8 were sent up to headquarters to the Chief Counsel's
9 office for their review to see if they would concur and
10 support a certificate action. That subsequently led to
11 a meeting in headquarters with the Associate
12 Administrator and the Chief Counsel's office and myself
13 and the regional counsel, to, you know, review the
14 material and deliberate on whether it was, whether it
15 would support an emergency certificate action in front
16 of a Judge.

17 And the decision was made, at that meeting,
18 that it would. And we would, we would press on with
19 that.

20 So, the next day is when I called Jerry
21 Trimarco and set up the meeting. Actually, it was two
22 days later that I called Jerry Trimarco. We met in
23 headquarters on Wednesday. On Friday, I called Jerry
24 Trimarco and we set up the meeting for Saturday to go

1 make the presentation to him.

2 And the reason for that delay was the drafting
3 of the order was not yet complete. And it was at 90
4 percent, somewhere in there. But it was our hopes to
5 actually have it completed in time for that meeting.

6 MR. MCGILL: Was there any consideration of
7 the fact that, that all, that Emery was getting ready to
8 go into a public hearing?

9 MR. HANLEY: There was no consideration at all
10 of that. In fact, you know, when I saw this time line
11 building, I essentially told the headquarters folks,
12 this is going to give the appearance of exactly what you
13 described.

14 And, of course, there is nothing we can do
15 about at that point other than the fact that the time
16 line is the time line. And we need to move ahead as
17 diligently as we can. And that's what we did.

18 But, no. The pending, the scheduled NTSB
19 hearing had no effect whatsoever on this action and the
20 timing thereof.

21 MR. MCGILL: At the time of the interim, the
22 August 13th interim settlement agreement, what choices,
23 what options did Emery have at that point?

24 MR. HANLEY: When we met on August 11th, the

1 Saturday morning. The option that we gave them was to
2 voluntarily cease operations pending a certification by
3 FAA of their airworthiness systems.

4 Or if they did not do that
5 on noon the following Monday, which is when we
6 anticipated having the emergency order of revocation 100
7 percent complete and ready to issue, we would issue that
8 emergency order of revocation.

9 MR. MCGILL: And after you issued, if you
10 issued that emergency revocation, what would have been,
11 what could they have done at that point?

12 MR. HANLEY: Well, they could have accepted it
13 and just ceased operations. Or they could have appealed
14 it to the NTSB, in which case within a matter of days,
15 given the emergency nature of it, the, an NTSB Law Judge
16 could hold a hearing the merits of the case.

17 And also, I'm not sure what the venue would
18 be. I'm not an attorney. But, in, outside of the NTSB
19 review, there is also a mechanism for another court of
20 law to, or Judge to pass judgement on the, not the
21 merits of the case, but the emergency nature of it.

22 So, that's something also that we would have
23 to be prepared to defend within a matter of days after
24 taking the action, had we had to do that.

1 MR. MCGILL: So, they agreed to, within 30
2 days, get back for a final settlement agreement?

3 MR. HANLEY: They agreed to -- yes. Stand
4 down and complete a final settlement agreement with us
5 within 30 days. And that final settlement agreement
6 would stipulate the certification requirements that they
7 would have to go through to get back into commercial
8 operations, as well as what, how the outstanding civil
9 penalty cases, or how, how, yeah, the outstanding, all
10 of the outstanding cases would be settled in the form of
11 a civil penalty.

12 MR. MCGILL: At that point, did you feel that
13 they still had in the back of their mind they were going
14 to come back into operation at some point?

15 MR. HANLEY: All indications were that they
16 were going to do that. They, when we crafted the final
17 settlement agreement, there were a lot of discussions
18 and back and forth about some of the language in that
19 agreement with regard to their coming back into
20 operations and exactly what they would have to do to
21 certificate.

22 Once we started that certification process,
23 after the final settlement agreement was signed, in some
24 cases, they didn't think it was moving as rapidly as it

1 should. And that resulted in some complaints and follow
2 up meetings that I attended, to try to mediate that
3 process.

4 So, the indications at that point to us were
5 that they intended to come back as an air carrier.

6 MR. MCGILL: And I notice that one of the
7 agreements where they would resolve all flight standard
8 and enforcement cases against them, which kind of meant
9 if they did, they would start back kind of with a clean
10 slate. Is that correct?

11 MR. HANLEY: Right.

12 MR. MCGILL: And they agreed to pay the
13 settlement of that fine.

14 MR. HANLEY: Right. And they have paid the
15 first installment of that on schedule.

16 MR. MCGILL: And the second was is due here,
17 next month again, or a couple of months from now.

18 MR. HANLEY: Actually --

19 MR. MCGILL: September 30th?

20 MR. HANLEY: Yeah. That sounds familiar.
21 Yeah.

22 But anyway, they're on schedule with their
23 payments.

24 MR. MCGILL: Is there a -- I have a one

1 amendment to the final settlement that was done in
2 December, 2001. Is there another agreement or two that
3 or is there another one out there beside this one?

4 MR. HANLEY: Yeah. The first one was, the
5 first amendment was dated December 4th, 2001.

6 MR. MCGILL: Yeah.

7 MR. HANLEY: And the second one, yes. There
8 is a second and final amendment dated May 13th of 2002.

9 MR. MCGILL: Lyle, could I get a copy of that,
10 please?

11 MR. STREETER: Do you need it right now?

12 MR. MCGILL: No.

13 MR. STREETER: Okay. We'll have it for you --

14 MR. MCGILL: Yes. Whatever.

15 What is the current status of Emery Airlines?

16 MR. HANLEY: The current status of, is they
17 are in the process of disposing of their aircraft.
18 Negotiating with their lessors for the early return of
19 their aircraft, hopefully with the least amount of
20 penalty as possible.

21 And they continue to hold their air carrier
22 operating certificate and operation specifications for
23 the purposes of keeping those aircraft on a Part 121
24 approved maintenance program. And we continue to

1 provide oversight to that maintenance program.

2 But they are --

3 MR. MCGILL: How are you doing that?

4 MR. HANLEY: The principle inspectors are
5 actually physically visiting Dayton and visiting the
6 storage --

7 MR. MCGILL: These are the same inspectors
8 that was previously on the certificate?

9 MR. HANLEY: Yes, except the PMI regional
10 retired. But other than that, it's the same inspectors.
11 And we, one of the assistant PMIs has taken over in
12 Harold's retirement.

13 They are actually surveilling the approved
14 storage programs that the aircraft are on. And to do
15 that, they look at the program records, both at Dayton,
16 and they also travel to the storage locations out in the
17 desert. And they are traveling to the repair facilities
18 that are prepping the aircraft or doing maintenance on
19 the aircraft.

20 MR. MCGILL: So, airplanes that are now being
21 -- Emery airplanes that are on, still on the approved
22 maintenance program, as they are being given to other
23 carriers and so forth and the maintenance is maintained.
24 Somebody is looking at all of this right now?

1 MR. HANLEY: Well, the aircraft are all
2 leased. So, they are, as they come off the certificate,
3 they're being returned to the lessors. Where they go
4 from there, I don't know.

5 MR. MCGILL: So, once, once it comes off and
6 it's returned to the lessor, then you're out of it at
7 that point?

8 MR. HANLEY: Correct.

9 MR. MCGILL: We had, during the testimony of
10 a, at the last public hearing, I talked to the previous
11 Director of Line Maintenance who was representing an
12 airline down in Coopesa, Costa Rica, that was going
13 through a check.

14 Is this still now, at this stage with this
15 aircraft on their check criteria, is that under the
16 Emery program?

17 MR. HANLEY: If the aircraft is still under
18 OPS specs, yes. It's under, under the Emery program.
19 And in the case of the Costa Rico thing, the, the
20 Cincinnati office actually sent some inspectors down
21 there based upon some allegations that were made, so.

22 MR. MCGILL: So, you're comfortable right now
23 at whatever is happening under the Emery certificate?
24 Is the oversight is adequate at this stage?

1 MR. HANLEY: The oversight is still active.
2 Yes. I'm comfortable. And they are not being operated
3 in commercial operations.

4 MR. MCGILL: During most of the, during this
5 time, did you have communications with the latter stages
6 with watching this F-1, both either Lacey or Sabatini?

7 MR. HANLEY: Yeah. At the time, at the time
8 that we, you know, early, starting the May/June special
9 inspection. Okay?

10 And with the emerging preliminary findings for
11 that inspection. Yeah. Had communications with
12 headquarters.

13 Now, I think Lacey was gone at that point, right
14 about then. But, had communications with the, the
15 Deputy Director, -- , and the new Director, Nick
16 Sabatini, to the effect that this thing appeared to be,
17 or had the potential to head towards a certificate
18 action.

19 So, that was kind of a heads up that was sent
20 down. And periodically, just kept them abreast of the
21 status of the cases and when they could anticipate the
22 things being forwarded to headquarters for review. And
23 then the subsequent meeting just before the action was
24 taken.

1 So, communication was not frequent. It was
2 somewhat infrequent but sufficient just to keep them
3 posted as things were evolving.

4 MR. MCGILL: Dave, I have no more questions
5 right now. So, let's shut it down right now.

6 (Whereupon a short break was taken.)

7 CAPTAIN GUNTHER: Todd Gunther, Air Line Pilot
8 Associates.

9 Dave, I was sitting here noticing -- and I'm
10 not trying to start off by making a statement or
11 anything. But when you were talking about some of the
12 experiences that have, I think you're getting a little
13 frustrated. And I noticed that because you were tensing
14 up and your, your voice kind of changed tones.

15 And one of the things about that is, I mean,
16 when you went through this thing, did you find this to
17 be a very taxing exercise, attempting to get them into
18 compliance? Because it sounds like you guys were
19 bending over backwards trying to give them every
20 opportunity to, to get into compliance.

21 I also noticed the same thing when we went
22 down and talked to Earl Camden and Mr. Ramski, a number
23 of people. Not only during the interviews, but when we
24 also went to the Cincinnati Flight Standards District

1 Office.

2 It seemed that the Certificate Management Team
3 continued what I would consider to be probably over and
4 above what they would normally have to do with another
5 carrier to attempt to do something. As a matter of
6 fact, Mr. Camden, on more than one occasion, appeared to
7 be frustrated.

8 And I'm just wondering what the, what the
9 thought process was here and what you, you and your
10 folks were thinking here at the Great Lakes Region
11 during this?

12 MR. HANLEY: Well, it's, it was a very
13 resource-intensive effort. And any time that you're
14 taking actions to, that ultimately lead up to a
15 potential certificate action, that takes a lot of time.
16 It takes a lot of effort. And a lot of, a lot of human
17 resources to do that.

18 So, this was a, a resource-intensive effort,
19 start to finish.

20 CAPTAIN GUNTHER: I've noticed you've been in
21 a lot of management positions with the FAA over the
22 years. And in the 25 years that you've done this, have
23 you ever had to sit there and actually proceed with an
24 emergency revocation of a carrier certificate that was

1 under management by any of the areas that you were
2 under?

3 MR. HANLEY: Not to my recollection.

4 CAPTAIN GUNTHER: So, it's not --

5 MR. HANLEY: I probably would recall that.

6 CAPTAIN GUNTHER: So, this is not something
7 that's pretty common then?

8 MR. HANLEY: Right.

9 CAPTAIN GUNTHER: One of the other things that
10 I noticed also, and you talked about ALPA and your
11 understanding of what happened. And let me just go
12 ahead and, and -- the reason I'm getting to this is what
13 I consider possibly or perceived to be a possible
14 communications problem between Great Lakes Region and
15 AFS-300.

16 We ended up not only -- Tom Rachford
17 apparently met with you at one time, giving you some
18 information. At the same that that was going on, ALPA's
19 engineering and accident investigation department ended
20 up sitting there and providing over 600 irregular
21 operations reports, what they commonly refer to on
22 Emery's property as pilot debriefs. To AFS-300, in a
23 special meeting that we held up in Independence Avenue
24 FAA headquarters.

1 In addition to those 600 reports, we also
2 provided them with the database, okay? That cross-
3 referenced all that material so that you would be able
4 to go ahead and follow maintenance write ups from one
5 aircraft to another, etcetera.

6 That was also provided, after their
7 suggestion, to the Certificate Management Team in
8 Cincinnati. We also provided them with binders and then
9 provided the NTSB with binders.

10 Now, my question is, did you ever see any of
11 those binders or that database come into your office?

12 MR. HANLEY: At the regional level, I don't
13 recall getting those. But I do recall that activity
14 that you're talking about and that it was handed off to
15 the certificate-holding office.

16 CAPTAIN GUNTHER: Okay. Now, during that time
17 period that we're talking about, prior to the shut down
18 after the accident. At any time did Angela Elgee or
19 Greg Michaels ever make contact with you in regards to
20 problems at the carrier? Or have you ever initiated any
21 contact with them?

22 MR. HANLEY: With those two individuals? I
23 don't recall. If there was any contact, it was minimal.

24 CAPTAIN GUNTHER: Okay. How about Nick Lacey

1 during that time period?

2 MR. HANLEY: I had a number of conversations
3 with Nick Lacey about the compliance status of Emery.

4 CAPTAIN GUNTHER: Do you remember what his
5 take on that was?

6 MR. HANLEY: Just, you know, Nick's take was
7 just wanting to be sure that we were, you know, being
8 responsive to whatever the issues were out here in the
9 region. Of course, we were.

10 CAPTAIN GUNTHER: All right. Now, we
11 interviewed Mr. Tim Allman. And his title in Emery's
12 manual is Director of Heavy Maintenance. However, one
13 of the things that we also noticed, that his name on the
14 operations specifications is Director of Maintenance,
15 which as far as I understand under the code of federal
16 regulations.

17 What would that entail with that title as
18 Director of Maintenance for the certificate holder?

19 MR. HANLEY: Well, it would just be stated in
20 the regulations.

21 CAPTAIN GUNTHER: So, what would you, as
22 somebody from the FAA, consider his areas of
23 responsibility would be?

24 MR. HANLEY: Typically, the Director of

1 Maintenance would be the person that would oversee the
2 maintenance activities of the carrier. And would be the
3 primary liaison with FAA regarding those activities.

4 CAPTAIN GUNTHER: Now, at the time that all
5 this was occurring, was he the primary liaison? Or who
6 were you dealing with?

7 MR. HANLEY: I don't have the foggiest. You
8 know, I'm not, I'm the regional division Manager. I'm
9 not at, I'm not working at that level in the company.
10 That's between the local office and the company
11 officials.

12 My dealings with the company were at the CEO
13 level.

14 CAPTAIN GUNTHER: So, who, primarily, did you
15 deal with then?

16 MR. HANLEY: I dealt with Kent Scott, while he
17 was CEO. And then I dealt with Jerry Trimarco after he
18 became CEO.

19 CAPTAIN GUNTHER: Did you ever have any
20 dealings with Renee Vischer during that time period?

21 MR. HANLEY: Only in meetings, where he
22 attending meetings that specifically, that we need that
23 help with Kent Scott in Dayton in April of 2000. Renee
24 was at that meeting.

1 CAPTAIN GUNTHER: And then I just have one
2 last question. Or actually two last questions and I'll
3 try to make them short.

4 I'd like to talk a little bit about corporate
5 safety.

6 Now, I know under the code of federal
7 regulations that 121 carriers are to have somebody in
8 that position. Did you ever interact or do you remember
9 if anybody from the Certificate Management Team ever
10 interacted with anybody from their flight safety
11 department?

12 MR. HANLEY: Their Director of Safety, yes. I
13 only interacted with him during meetings with the CEO,
14 that we held either in Dayton or here at the FAA. But,
15 I believe that the principle inspectors interacted with
16 them on a regular basis.

17 CAPTAIN GUNTHER: Is there any type of job
18 description for that?

19 MR. HANLEY: An Emery job description?

20 CAPTAIN GUNTHER: Or under the federal
21 regulations, their job description is to --

22 MR. HANLEY: Not in regulations. The
23 regulation identifies the requirement for the position.
24 There is an advisory circular and a, I believe it's a

1 Flight Standard Bulletin for internal guidance, as to
2 what the general expectations of that position are.

3 But, the regulation basically deals with just
4 the requirement to have a person in that position.

5 CAPTAIN GUNTHER: Now, during the dealings,
6 during the meetings that you had, where corporate safety
7 was present. Did they have anything that they were
8 going to do to attempt to improve the operation and help
9 the carrier come into compliance, that you're aware of?

10 MR. HANLEY: They had a number of initiatives
11 that were in the overall action plan. The 80-some
12 initiatives that I had mentioned, yeah. Some of those
13 belonged to the safety department.

14 CAPTAIN GUNTHER: Getting back to the 600
15 reports that were turned in by the pilots, they were --
16 according, from what my understanding is, those reports
17 also went to corporate safety. All right? And they
18 were forwarded to corporate safety.

19 Do you have any idea if any of those were ever
20 acted on by them?

21 MR. HANLEY: Again, that was supposed to be
22 the subject of the meetings between ALPA and the
23 certificate-holding office, to get feedback on what's
24 happening with all of these reports.

1 held the certificate.

2 And, when we ultimately got to the point where
3 we did not feel that, that they were in compliance and
4 we had sufficient evidence that would withstand the
5 intense legal scrutiny of an emergency revocation
6 hearing, we took the action.

7 So, I, looking back on it, we always would
8 hope for a different outcome, that the corrective
9 actions were taken as agreed to and were all effective
10 in translating into compliance in line operations. And
11 that we, the shut down would not, therefore, be
12 necessitated.

13 However, that's not what happened here. And,
14 but I don't know that we could do anything differently,
15 looking back on it.

16 CAPTAIN GUNTHER: No further questions.

17 MR. HANLEY: Thank you.

18 MR. MCGILL: Lyle?

19 MR. STREETER: Dave, there was some discussion
20 about the first, I believe it was the RASIP inspection
21 that you guys held here in the Great Lakes Region, right
22 after the certificate transferred over and the San Jose
23 FSDO didn't have anybody at the debrief there.

24 Now, was there any other opportunity for the

1 Cincinnati team to get input from the San Jose people?

2 MR. HANLEY: Before we took the certificate,
3 the Cincinnati team went to San Jose and received a
4 complete debriefing on the status of the carrier from
5 the outgoing Certificate Management Team.

6 Then, once we took custody, custody of all the
7 records, the FAA records, and took responsibility for
8 the certificate, then subsequently initiated the RASIP
9 inspection, it would, it would not be customary.

10 In fact, it would be highly
11 unusual to involve the previous Certificate Management
12 Team in, in the out brief of the RASIP, that's under our
13 purview in this region.

14 MR. STREETER: There was some earlier
15 discussion on counsel making changes to enforcement
16 packages after they are further down the line, they've
17 gone past the division and so on. And how or are those
18 changes coordinated with Flight Standards here in the
19 Great Lakes Region? How do you guys do it here?

20 MR. HANLEY: The, well, the enforcement order,
21 the 2150.3A Order, says that counsel should, where
22 feasible, coordinate changes with the, the division of
23 the reporting inspector.

24 In this region, we have a longstanding

1 agreement with regional counsel that any, any
2 significant case, any change to a sanction on a
3 significant case, at any stage in the process, has to,
4 has to be discussed with the reporting office and has to
5 have my personal concurrence. And that system seems to
6 work very well here.

7 And when I say a significant case, we define
8 that as, in cases where, have civil penalties of 50,000
9 or higher, or a certificate action proposed against a
10 certificant entity such as an air operator, flight
11 school or air taxi or what have you.

12 And then we hold monthly meetings with counsel
13 to review the status of all of the significant cases to
14 keep them moving on, moving along.

15 MR. STREETER: That's all I have.

16 MR. MCGILL: Dave?

17 MR. HOFFSTETTER: I've got a, I've got a few
18 questions.

19 It appears, as I listen to what, what's
20 happened and what's been going, what was going on with
21 Emery that led up to the shut down, that they had
22 instituted an 81-point program or something along those
23 lines, to try and improve the certificate and improve
24 their reliability. They had problems

1 with the reliability program and they were working on
2 that. And there was improvements being made within the
3 company to try to work into a more compliant plant.

4 The airline was more compliant at the time of
5 the shut down than when you accepted the certificate.
6 Is that a fair statement?

7 MR. HANLEY: I, I don't think you can -- that
8 requires some level of speculation. I don't know that
9 you, you can say that.

10 MR. HOFFSTETTER: You couldn't prove that they
11 were not compliant when you accepted the certificate?

12 MR. HANLEY: We didn't -- yeah. We didn't
13 have the cases there.

14 MR. HOFFSTETTER: Some of the problems within
15 Emery were related to the maintenance program and the
16 reliability program. Is that correct?

17 MR. HANLEY: Yes. That's correct.

18 MR. HOFFSTETTER: And when, when the shut down
19 occurred, the intention was that Emery would go back
20 into operation at some point in time. And they changed
21 their mind and decided to shut down completely and never
22 operate again.

23 Why is a continuation of the maintenance
24 program in Fort Camray at that point .

1 MR. HANLEY: It's our understanding that the,
2 these are leased aircraft. And the terms of the lease
3 require that the aircraft maintained under a Part 121
4 approved maintenance program under a Part 121
5 certificate. And that if they are not, the lease goes
6 immediately into default. And significant multi-
7 million dollar default penalties then come into play
8 under the terms of the lease.

9 So, that was the rationale provided by Emery
10 to us as to why they desired to keep the aircraft under
11 a Part 121 maintenance program.

12 MR. HOFFSTETTER: And the 121 maintenance
13 program currently, they're maintaining the CPC program
14 and doing all the reports that are required to Douglas,
15 doing some sort of a case program for material that
16 they're purchasing or using on these aircraft as they go
17 through heavy maintenance?

18 MR. HANLEY: I don't have that level of detail
19 because that's not my area of expertise. It's --

20 MR. HOFFSTETTER: It should be though, right?

21 MR. HANLEY: It's the -- yes. The, whatever
22 is required in that maintenance program. And I believe
23 there's a storage, approved storage program that they
24 have been placed into. But, yes. All of these have to

1 be complied with.

2 MR. HOFFSTETTER: Emery's compliance with the
3 corrosion program is actually an alternate means of
4 compliance. They've incorporated the maintenance
5 program or the corrosion CPCP program into their
6 maintenance program. Are you aware of that?

7 MR. HANLEY: Not the specifics around it. No.

8 MR. HOFFSTETTER: They have effectively
9 doubled the time between inspections on the
10 6-year, 5-year, 6-year task cards that are required by,
11 by Douglas. I think they're the only air line, that I'm
12 aware of, that has the length of the time between
13 inspections that they do.

14 I don't know, I don't know what the penalties
15 are in their lease agreements. If the airplane comes
16 off of 121, but I know what it costs to do a 6-year CPC
17 card. And the 6-year CPC card is probably, cards is
18 probably 800,000 to a million dollars worth of, worth of
19 maintenance.

20 Right now, the leasing companies, as they get
21 the airplanes back from Emery, they're all out of
22 compliance as soon as they come off of Emery's
23 certificate. And Emery ends up with probably a 20
24 million dollar savings by keeping their maintenance

1 program in place.

2 Anybody ever talk, mention that or are you
3 aware of that?

4 MR. HANLEY: No.

5 MR. HOFFSTETTER: We, I work out of a company
6 called Tennessee Technical Services. And we were
7 involved with the investigation because we did the last
8 heavy check on 8079U.

9 We recently received an airplane that was
10 being returned from lease, fresh out of the C check in
11 Coopesa. And -- are you involved with that aircraft at
12 all?

13 MR. HANLEY: No, not personally. I've heard
14 of issues around it.

15 MR. HOFFSTETTER: There were significant, we
16 were asked by the leasing company to do an inspection
17 without opening any panels other than quick open panels.
18 And had about 300 discrepancies. The aircraft was on a
19 rig when it arrived at the facility. The elevator tabs,
20 which is critically, was probably a critical point on
21 8079U, were about an inch difference in the tabs. And,
22 I don't know. That's, may not be real easy to see in
23 the picture, but that's the, that's the elevators and
24 elevator tabs. I don't know, Frank, if you want a copy

1 or not.

2 But, best, the best I can tell, that would be
3 pretty close, what we're looking at on the elevators
4 here is pretty close to what the elevators would look
5 like and the tabs would look like if the rod was
6 disconnected as is suggested on the 8079U crash.

7 Emery is using contract crews, to move the
8 airplanes, that are not familiar with the aircraft. I
9 don't think they're real familiar with the aircraft or
10 the problems that have been encountered. And just
11 beyond the tabs being deflected, the push rods that
12 connect to the tabs were aluminum. I think the AD on
13 those was out in the 70s maybe. Is that right? It's a
14 very old AD.

15 Coopesa wrote up the push rods on the airplane
16 during the inspection and received, received replacement
17 rods, push rods, from somewhere that had the correct
18 part number on them that were also aluminum push rods.

19 I'm just, I'm curious as to how we get past
20 all the inspections that Emery has done on the
21 orientation of the bolts and still end up with aluminum
22 push rods and change them and still have, end up with
23 bogus parts installed on the airplane. And that, best I
24 can tell, that's what they are. They got a part number

1 on them that is not, is for a steel rod and they're
2 aluminum push rods.

3 And that's what really put us into the rest of
4 the airplane.

5 I would be very curious to see what kind of
6 corrosion reports are being filed by, by Emery with
7 Douglas because of the status of the corrosion that's
8 remaining on the airplane that we looked at. There's --

9 MR. HANLEY: Well, let me just say, the --

10 MR. HOFFSTETTER: I don't -- this is really
11 not relative to the crash, but it's relative to Emery's
12 continuing maintenance program.

13 MR. HANLEY: Yeah. The -- yeah. Obviously,
14 you know, I can't get into the details because I'm --

15 MR. HOFFSTETTER: Sure.

16 MR. HANLEY: -- outside my area of expertise.
17 But in terms of program oversight, yes. I, you know, I
18 still have that responsibility as the Division Manager.
19 And, you know, I've been told that with respect to the
20 push rods that an unapproved parts investigation has
21 been initiated on that. And so, that has yet to occur
22 to see exactly, you know, what, what the outcome of that
23 is.

24 But, you know, I do have qualified inspectors

1 that are overseeing these maintenances programs. These
2 are the same inspectors that had issues with Emery's
3 program when they were operating. Okay?

4 And they don't currently have issues with
5 Emery. We don't, have not had regulatory noncompliance
6 with the maintenance program, which is subject to
7 ongoing inspection.

8 We're obviously not positioned. When you're
9 in commercial operations or not in commercial operations
10 as they are right now, we are not positioned nor is it
11 our charge to have an inspector overseeing the change of
12 every push rod on every airplane on the entire air
13 carrier fleet. Okay?

14 And as things are brought to our attention,
15 you know, we'll investigate them and we'll take the
16 appropriate action. But, as it stands right now, you
17 know, we are overseeing their program.

18 And the very same
19 Certificate Management Team that had issues with the
20 program before don't have issues with the program right
21 now. And, at least none that have risen to my level.
22 And I've not been aware, been made aware of any evidence
23 of regulatory violations.

24 MR. HOFFSTETTER: I don't want to get into

1 this here, but if you'd like a copy of this, I'd be more
2 than happy to give it to you. It's over 300 items on
3 the particular aircraft that are visible without opening
4 --

5 MR. MCGILL: Could you pass me a copy of that
6 --

7 MR. HOFFSTETTER: And, now that's chains of
8 custody of push rods and the FAA has impounded the
9 airplane or has restricted it from leaving without their
10 authorization. And are looking at -- items on the
11 airplane.

12 I just, I feel like there are problems with
13 the maintenance program that led up to the shut down,
14 that improved from the time that you -- and I believe it
15 was in better shape when you shut it down than it was
16 when you got it. I don't, I don't have any way to prove
17 one way or the other.

18 But, from the programs that people have
19 described to me, it looks like Emery was, was making
20 some efforts in the correct direction. Which leads me
21 to the next question.

22 How do we, after we've improved the air line,
23 we shut it down, but we didn't have the material to shut
24 it down when it was under the San Jose office

1 jurisdiction. And is that, is that really, is that
2 where we really are?

3 MR. HANLEY: Based on what I --

4 MR. HOFFSTETTER: Do you have the
5 documentation to do it under San Jose. We've improved
6 and then we've got enough documentation to do an
7 emergency revocation.

8 MR. HANLEY: Well, you know, you don't make
9 the decision we're going to shut somebody down. And now
10 let's go get the documentation. Okay?

11 The documentation exists that indicates you
12 need to take a certificate action. And then you take
13 the steps to do that. Okay?

14 Now, from what I heard this morning, San Jose
15 felt that they might have sufficient documentation to
16 take at least a suspension if not a revocation
17 certificate action. And through, there are, I mean,
18 carriers are entitled to due process. And there are
19 huge issues at stake here. If we take an unwarranted
20 certificate action, not only for the carrier itself, but
21 for the public confidence in aviation safety and the FAA
22 doing its job.

23 So, any such actions are subject to very close
24 scrutiny, internally, within the agency. Is this

1 warranted? Is this truly warranted? Is the evidence
2 there? Will we prevail in a hearing?

3 And it sounded to me like the review that
4 occurred in the Western Pacific Region, it looked
5 exactly at those issues and concluded that it would not,
6 a certificate action was not supported.

7 When we took the certificate and, and worked
8 on all of these identified improvement initiatives, you
9 know, it was, it was quite some time before we had
10 evidence in hand that said, "Look. This isn't working.
11 And now we have sufficient evidence to take the
12 action."

13 And we were able to, you know, prevail in our
14 internal deliberative processes and say, "Yes. This is
15 supportable. We're going to do it."

16 MR. HOFFSTETTER: I -- we were not involved at
17 the beginning of the investigation. And I never had an
18 opportunity to review the log pages on 8079U during the
19 initial investigation. They were provided to us
20 by Emery just prior to the public hearing, along with
21 about three banker boxes full of documentation that was
22 a fairly insurmountable amount of data.

23 And I never made the time or had the
24 opportunity to look at the log book on 8079U until last

1 Thursday. And if it's okay with Frank, I'd like to run
2 through one series of write ups on the Pitch-Trim
3 Compensator.

4 MR. MCGILL: No. I'd rather not do that,
5 Dave, right now. We have gotten data and we'll -- why
6 don't you give it to Frank Hilldrup and we'll take it
7 from there. I don't think, at this point --

8 MR. HOFFSTETTER: I understand.

9 MR. MCGILL: Interviewing Mr. Hanley, -- go
10 into that portion. But that is an integral part of our
11 investigation and we'll take it from there.

12 MR. HOFFSTETTER: The only other question I
13 have is, in the initial RASIP that was accomplished in
14 January of 2000, the CASS system was not inspected.

15 Do you know why
16 that was? I'm just curious. There were several points
17 in the inspection where there were no findings and there
18 was a note under, in that guideline that said, "Not
19 inspected."

20 MR. HANLEY: Yeah. I don't know.

21 MR. HOFFSTETTER: That's it. Thank you.

22 MR. MCGILL: Clint?

23 MR. THAYER: I have no questions.

24 MR. MCGILL: Tom?

1 MR. WOOD: I have no questions.

2 MR. MCGILL: Frank?

3 MR. HILLDRUP: Yeah. Just a couple.

4 The, the events that, that precipitated the, I
5 guess, the interim settlement agreement between FAA and
6 Emery, was that based entirely or predominantly on the
7 May to June, 2001, inspections of the log books? Or, I
8 guess they were actually inspected in that time frame of
9 the March to April log book.

10 MR. HANLEY: Correct.

11 MR. HILLDRUP: That's correct.

12 MR. HANLEY: Right.

13 MR. HILLDRUP: Was it a combination of events
14 of which you had learned prior to inspections or was it
15 based entirely on that?

16 MR. HANLEY: The, the draft emergency
17 revocation order contained the enforcement from that
18 inspection, as well as the enforcements from the RASIP
19 inspection, as well as several enforcements from
20 incident investigations and surveillance by the
21 Certificate Management Team.

22 MR. HILLDRUP: And, I believe you indicated
23 that your -- I'll let you say the end. Your impression
24 of Mr. Trimarco was what? It was somewhat favorable, I

1 think you had said. Is that --

2 MR. HANLEY: Yes.

3 MR. HILLDRUP: -- based on what, your dealings
4 with him prior or solely as the new CEO for Emery or did
5 you know him prior to --

6 MR. HANLEY: No. I did not know him prior.
7 This was based on my dealings with him since he became
8 CEO, in several meetings and several telephone
9 conversations. And also, input from the Cincinnati
10 FSDO, that, to the effect that they viewed him in a
11 similar way. That he was trying to be responsive and do
12 the right thing.

13 MR. HILLDRUP: Do you know the circumstances
14 for, was Kent Scott, did he leave on his own? Was he
15 ushered out? Do you know the circumstances around that
16 at all?

17 MR. HANLEY: I do not know. I know that when
18 I -- Kent Scott was, in my initial meeting with Jerry
19 Trimarco, Jerry Trimarco was the new CEO, Kent Scott was
20 still there. He was at that meeting. He was the COO at
21 that time period.

22 But, after that, I don't know what happened.

23 MR. HILLDRUP: Going back to this airplane,
24 this Emery DC-8 that was in Coopesa, do you know what,

1 what responsibilities, I guess, the Cincinnati FSDO
2 might have? Would they, would they be required to, to
3 sign off on or provide the permit to allow that
4 airplane back into the country? Do you know if that
5 would be something that they would have to do?

6 MR. HANLEY: I don't know what the technical
7 requirements are, but anything -- if it's an aircraft
8 that remains on the Emery OPS specs and anything having
9 to do with any irregularities with that aircraft or
10 allegations, you know, would come under their purview to
11 ensure that it was investigated and acted on.

12 But, specifically, you know, when it's a
13 permit required, when it's not, was one required here,
14 etcetera, I don't have that kind of detail.

15 MR. HILLDRUP: And the repair station that, I
16 believe, was performing a C check down there, do you,
17 are you aware of any action by the FAA to review their
18 operation? There's been some action by, I believe, the
19 Nashville FSDO, on this airplane, based on some of the
20 issues.

21 But, based on some of the -- perhaps, I
22 shouldn't say findings. But, the inspection of the
23 airplane at TTS -- well, let me just restate the
24 question.

1 Are you aware, are you aware of an FAA action
2 on the repair station down in Coopesa?

3 MR. HANLEY: I'm not aware of any. That
4 doesn't mean there isn't any going on. I'm just not,
5 not aware of it.

6 MR. HILLDRUP: And you had indicated the,
7 that, I believe it's Order 2150.3A, is an enforcement
8 order?

9 MR. HANLEY: Right. It's the agency order
10 that covers our compliance and enforcement program.

11 MR. HILLDRUP: Does that, does that dictate or
12 the -- let me. The way that Great Lakes' legal counsel
13 works with the originating office on EIRs or violations
14 or however you want to characterize those. Is that, is
15 that based on what's contained in that order? Or do you
16 go above and beyond that to do with the requirements
17 that you have in place?

18 MR. HANLEY: We go above and beyond that.
19 There's not requirement to have a monthly meeting. No
20 requirement to generate significant enforcement activity
21 lists. No requirement specifically for the Division
22 Manager to personally agree to every sanction change.

23 These are things that we do that are above and
24 beyond the requirements of that order.

1 MR. HILLDRUP: And the requirement for the
2 counsel to consult with the originating office as well.
3 Is that --

4 MR. HANLEY: The order says when feasible,
5 they should do that.

6 MR. HILLDRUP: When feasible.

7 MR. HANLEY: Right.

8 MR. HILLDRUP: What does that mean to you?

9 MR. HANLEY: It means to me that it generally
10 should be feasible. I do know that last summer, I
11 believe it was, Chief Counsel's office did -- I heard
12 this from my regional counsel. The Chief Counsel's
13 office did give direction to all of the regional
14 counsels to ensure that they had procedures in place to
15 coordinate significant changes with Flight Standards
16 when there are significant changes to these sanctions.

17 MR. HILLDRUP: But, it's left up to each
18 region to work this out as they see fit?

19 MR. HANLEY: Correct.

20 MR. HILLDRUP: Is that the way that comes out?

21 Thanks a lot.

22 MR. HANLEY: You bet.

23 MR. MCGILL: It actually says when feasible,
24 however, significant changes should be coordinated.

1 Should. With the appropriate division and the reporting
2 inspectors.

3 Dave, thank you very much. We appreciate your
4 answers today. And that's it.

5 MR. HANLEY: Your welcome.

6 (Whereupon, at 2:22 p.m., the hearing
7 was concluded.)

8

9

10

11

12

13

14

15

16

17

18

19

20

21