Cat Hofacker: Hi, congressman.

Peter DeFazio: Hi, Cat, how are you?

Cat Hofacker: I’m doing as well as can be expected, which is kind of my go-to line these days.

Peter DeFazio: [laughs] where are you?

Cat Hofacker: Washington, D.C. I assume you’re home in Oregon?

Peter DeFazio: Yes, in Springfield.

Cat Hofacker: Have you got your home office set up yet?

Peter DeFazio: Well, not yet. I’m waiting on a stand for my iPad so I can place it somewhere for video conferencing. I did an interview with a reporter earlier and she didn’t like the background.

Cat Hofacker: [laughs] it was a bit tricky for me the first weeks too, but I have no doubt you’ll get there. OK, well I’ll get right to it because I know you’re a busy man. Could you start off by talking a bit about the role airlines and the aviation industry are going to play in restarting our economy once this is all over?

Peter DeFazio: Well, they constitute obviously a very significant portion of our significant economy, and in terms of aviation, a large part of our export economy. Anything that has a dramatic impact on that industry is going to hit very hard in the country. That’s why we fought so hard in the CARES Act to get an aviation package. I was**,** it was determined not to do it the way it was done after 9/11. They got assistance and then when they burned through the assistance declared bankruptcy, took away their workers’ pensions, busted the unions. In the case of United it was particularly egregious. There was a jerk there named Tilton, I believe, Glenn Tilton, and the day before he took away everybody else’s pension he got a $4.5 million special account that couldn’t be touched in bankruptcy. So I said “not going to happen that way this time.” Was on a conference call early on with the CEOs in their conference rooms when it was still early on. We began discussion and negotiations and we came up with a package that I think should be a model for all industries. We divided the assistance into two parts. One part is supposed to be a passthrough for all the aviation and related workers in the service, contractors, people who roll the wheels, push the wheelchairs and all that. It’s about 2.3 million people, and it was in the House version it was meant to be directly passed through to the airlines starting late Monday [March 30]. The second part of the package was for their other costs. That would be capital costs, their ongoing expenses with airlines that are not directly related to the workers. Those loans were heavily conditioned in terms of again things we saw at 9/11: no dividends, stock buy backs, giving themselves bonuses on salaries, things like that. I actually added a third component, didn’t make it, but the third component would ultimately have been a very ambitious plan to begin to reduce carbon pollution. They agreed to a plan that wanted to have them all carbon neutral by 2025 – not ideal, but until we develop and distribute sustainable fuels, that’s a good step. In the final package, Mitch McConnell made fun of that and made a point of taking it out, and secondly at the last minute Sen. Toomey from Pennsylvania got inserted a provision to say that they could exercise warrants on those grants. We don’t want conditions on that. So working on that, by the time you publish this story that will have been resolved one way or the other. I've been on the calls with the Speaker and Secretary Mnuchin, and others regarding that. And we will hear soon what the conclusion was. But if the government exercise hold warrants for all of the payroll would be on all the airlines by the end of the summer.

Cat Hofacker: That's great because I know a large part of this is the uncertainty for them. The longer this goes on and we have no idea to know when it might end. It makes it very hard for them to predict that. I wonder if you could talk a little bit more on the warrant side of this? Because I know that we don't want those attached to the grants because those are supposed to go directly to the workers, and airlines should not be able to touch those. Do you think the government should still be able to exercise those on the loans though?

Peter DeFazio: Oh no. The loans, we certainly expect that the loans would be rated as to risk. There's a whole host of questions Treasury asked about the loans at the outset. It didn't ask those same questions about the grants at the outset. They have now asked all of the same questions about the grants. Which doesn't make sense since they already got that information on the loans. But no, the loans would definitely have a rate of return to the Treasury and I assume they would be risk rated. Whether it would just be an interest or whether there would be other interest in terms of preferred stock or something, that part of the bill was totally discretionary on the part of Secretary Mnuchin.

Cat Hofacker: Mm-hmm (affirmative).

Peter DeFazio: The other part was supposed to just be pass through until Sen. Toomey got that inserted at three o'clock in the morning and on the last day. Unfortunately, now the Secretary is considering some form. I talked to him about potential downside here that makes, Oh another 2.3 million people onto the unemployment rolls and the benefits side of keeping them on payroll is that they're all going to be paying taxes. They're all going to be able to continue purchasing things and paying their rent and all that as an economic multiplier that's through the economy. So he agreed that he had seen the analysis to that effect with the airlines I provided.

Cat Hofacker: And then as far as a future aid, because I know that already the Democrats are discussing what might be needed as far investing in infrastructure, are you trying to bring back up the carbon neutral by 2025 conditions or what other areas are you considering for aviation as far as future bills?

Peter DeFazio: On aviation, I mean the most critical thing is the Airport Improvement Program is going to run out of money in a few months, which means that stalls the NextGen and other investments by the FAA, which would be very unfortunate. It would also mean limiting airport projects or capital expenses. There are terminals and runaways and that. So that will be a major component. We did get $10 billion for the airports in the first bill, but they're hemorrhaging way more than that in terms of lost revenues. So support to airports will be critical. So those are the major airline considerations. I think the bill goes, aviation, goes far beyond aviation in terms of infrastructure and investments in infrastructure.

Cat Hofacker: Definitely. And then looking ahead to returning to service, I've been talking with a number of storage companies and learning about what that all entails. And they all said we've never had this many planes grounded, potentially for months at a time before, and they're not really sure what reintroducing them is going to look like. How do you think, once we get things back up and running, how do we need to go about it so that this is done safely?

Peter DeFazio: Well, there are certain requirements when a plane has been out of service that have to be met. We were dealing with that in terms of all the back planes that had been produced, some of which had been in service, many of which have been in service. And in that case, because of the particular problems with the MAX, Secretary Dickson said the FAA was going to individually certify every plane, a very ambitious and time-consuming undertaking. In this case it doesn't require full re-certification, but there are certain procedures that have to be followed and it's critical that we protect the workforce who can do that work.

Cat Hofacker: Yeah. So switching gears a little bit on you now, cause you mentioned the MAX. I know that for now FAA and Boeing are continuing that certification work, but it's kind of an interesting case to me because I know many activities are deemed essential. But is that an activity that should be considered essential right now?

Peter DeFazio: Oh, well I just saw yesterday Airbus is reduced production. Obviously getting the MAX back in the air, for the airlines that had them on order or already bought them, is not as much of a pressing need at the moment. The FAA's got a lot of things it's got to get done and that's one of them. And it's final certification testing and then inspection certification of all [McLain 00:06:40]. But before that I'm really hopeful they'll get the rule out on drones much more quickly because we have heard from companies that could be delivering medical supplies to areas by drone and other needs. We're heading into the west coast fire season. We're going to need comprehensive rules on drones for that. So they've got to get the drone rule done and out as soon as possible.

Cat Hofacker: Yeah, definitely. And I know already before this crisis happened, I feel like now that we're in this pandemic, you can almost put a caveat to any topic of conversation as to what it will do for the deadlines. But I know before this the FAA was lagging a little bit on some of the deadlines that Congress had set out in the Reauthorization Act and your committee had been urging them. “Why the delay? Pick up the pace a little bit.” Do you think, what is the status of that? How can that still be done now considering we have something like a pandemic? But like you said, the industry's not waiting, and they could really fill a need in this case.

Peter DeFazio: Well, it would be an ideal time for them to approve their previously... The FAA wrote the standards for secondary barriers through a special committee years ago. They want, because of objections by the airlines, they want to start another lengthy process. It would be a great time for them just to implement those earlier recommendations and put a few people to work. Putting the secondary barriers on the airplanes that had been too long delayed. Obviously [Generous 00:08:38] taking over a plane is at the top of our list right now because the planes aren't flying. But that's still an ongoing concern.

Peter DeFazio: It would be, given that flight attendants had been risking their health to keep the remaining flights in the air and that some of them have gotten ill. I don't think there've been any fatalities yet, but there have been among other transportation workers. Then it would be a great time of for the FAA to recognize that we were very definitive about the rest duty time. The airlines would have plenty of time now to redo their schedules and accommodate the new rest duty time that would keep the schedulers busy who don't have much to schedule right now. So I would say getting those two things done should be at the top of their list.

Cat Hofacker: And then as far as remote identification for UAS?

Peter DeFazio: Absolutely. Well that's got to be part of the rule. We have to have Remote ID. We've got to be able to arrest and prosecute the jerks who interfere in public safety and violate rules. It's a small percentage of people, mostly hobbyists. And it took me many years to get preclusion removed up on the FAA on requiring Remote ID. There is still some fighting back, particularly the toy manufacturers. And that's just got to get done. Otherwise, we can't safely reintegrate.

Peter DeFazio: And if just one idiot flies a drone into a helicopter and causes a crash, or potentially since we have yet to compact the test, but it's assumed that even something as small as a quadcopter could cause uncontained failure of a jet engine. We've got to get the Remote ID. And that will ground all the drones in America, including all the ones that are beneficial. So we need to get that Remote ID rule done.

Cat Hofacker: Do you think that the rule that the FAA released at the end of last year was sufficient? Because a lot of the hobbyists, and then also some of the manufacturers I talked to, were really concerned about the fact that it seems to require on internet access that a lot of Americans quite frankly don't have, especially out in more rural areas.

Peter DeFazio: Well, they've got to figure a workaround on that, but these things have to be identified just like every plane in the air has to have a transponder.

Cat Hofacker: Okay. Switching back to the MAX a little bit. I wanted to ask about... Of course, the end goal with all of this is if the certification process needs fixing, we need to fix it. And I wanted to ask a little bit about ODA specifically and how you're thinking about it as far as what specific changes could be made so that we're preventing mistakes? Like what in the case of the Max, do not happen again. But also so that different mistakes that we aren't anticipating do not happen in the future.

Peter DeFazio: Well, we were working on an ODA reform bill. We had shared it and were in discussions with the Republicans just before all this came down. I've got to say that the CARES package and everything we did, work and in the space of infrastructure, and that Bill took precedence. And right now the writing of the major surface reauthorization takes precedence, and water resources development is up there. But the process does need to be reformed, it failed clearly. And we have some quite specific ideas which we have been sharing with the Republicans. We're not really prepared to talk about them publicly yet, but let's just put it this way. I mean, we had a problem with the captive regulators.

Peter DeFazio: The Boeing office in Seattle was essentially captive of the company at the management level. Even when the technical specialist, seven of them non concurred with a decision, and they were upheld through two appeals. One single manager, with apparently without ever contacting the Washington DC office, decided to overrule them. That's totally unacceptable. We did a seven-hour interview with the head of safety and he reported to be absolutely clueless about anything that went on with the Max. Never heard anything about it, wasn't in the loop. There needs to be much more accountability throughout the FAA from the local office, regional office, to the head office and we're going to fix that.

Cat Hofacker: One argument I'm sure you've heard frequently and I've heard frequently throughout this process is people wonder what needs to be done with certification. We hear that the FAA doesn't have enough people, that it's necessary to have the private industry involved because the FAA just doesn't have enough staffers to oversee all of these aircraft. So do you think hiring more people is the solution? Or do we still need to have private industry involved in some way if it's a capacity problem?

Peter DeFazio: Well look, the EU does it all privately. We had a big system that didn't work properly. I think we can fix the mixed system we had, or have, and make it work. No, we're not going to get into every detail of every manufacturer with FAA employees. Again, we have ideas on how to reform that process.

Cat Hofacker: Okay. And then, so given that you guys are in the process of drafting that legislation, whenever that priority takes place based on the situation we find ourselves in, could you give me what are some next steps for the committee's investigation or are we reaching the end of that process?

Peter DeFazio: My understanding is that the committee staff are still conducting interviews. We issued an interim report and we felt we had enough with the interim report to move forward with ODA reform. But we have not reached the ultimate conclusions to exactly what went wrong in some places. The FAA has not been particularly forthcoming with a lot of communications that we've asked for. So far as we know we have everything from Boeing, although every once in a while, they surprised us. And we're still conducting interviews, so it's ongoing. But we know enough to legislate. But we do want to come to a more conclusive report in the future.

Cat Hofacker: And then talking a little more broadly. Looking at a situation like the Max, looking at the mandates that Congress laid out for FAA in the reauthorization bill, looking at the bills that are being proposed for the coronavirus relief, can you talk a little bit about how you balance your role as someone who's a very strong advocate for the transportation industry, but also someone who is very strong on oversight?

Peter DeFazio: Well, I think those two things fit together perfectly. When we write laws or FAA or the transit agent, the FTA or anybody promulgates rules, it's our duty to see that those rules conform to the law. And then it's our duty to see that those rules are followed by the impacted industries, which are a broad range of industries under our jurisdiction. So I think that that is something unfortunately, that Congress has overlooked.

Peter DeFazio: When I was first in Congress, every committee had an oversight and investigations subcommittee. Newt Gingrich did away with all that. And I still don't have a dedicated oversight and investigation subcommittee, but I do have now a dedicated oversight and investigation staff. Albeit only three of them, but they're very good. And I could use more to do more oversight or we could go back to the prior model of taught... We do have a global oversight committee under Carolyn Maloney, but they've got to cover the whole government. And I did partner with her predecessor, Elijah Cummings, and I have with Carolyn on a number of issues. But the individual committees of Congress, particularly in my case, TNI, do need to be more focused on this critical function. It would make for a better government and a safer country.

Cat Hofacker: Definitely. And I know, of course, as we're all figuring out these working from home challenges, logistics, that Congress's is grappling with them as well. I know it's very early in it for you, but are you considering the idea of what do the logistics of remote committee meetings look like or can we run some of this more remotely?

Peter DeFazio: Well, I just had a joint conference call with my ranking members, Sam Graves and all the members of the committee, both sides of the aisle. We laid out our agenda, made suggestions of things that we would like members to do and proposed that we think that we can do some oversight. We can do some briefings, certainly like with FEMA where we have a strong role and others, I have had briefings there. So ongoing we're doing briefings, we're looking at moving more into oversight. We are writing bills remotely. We've set a deadline of May first for submissions for the Water Resources Development Authorization for all the members of the House. So we are moving ahead with legislation.

Peter DeFazio: When we'll be at a place to actually physically be together? I don't know. The rules... After 9/11 a guy named Brian Baird from Washington state said we need rules, we need rules for disasters, we need rules on how to reconstitute Congress. Because if everybody in the House is killed, there will be no members of the House because you can't be appointed to the House under The Constitution.

Peter DeFazio: So he was proposing both emergency measures and reconstitution of government measures. I supported him strongly. We got blown off and now the folly of that is very, very apparent. We had to get 218 people to DC because of one jerk who was going to object to a voice vote on the CARES package. And that meant we had to have a quorum present in the chamber to go ahead with a voice vote. And that was not ideal at the time obviously. I flew across the country, more than 218 of us got there. But the question of how the rules can be changed and that is very much an ongoing intense discussion between-

DeFazio aide: Pete, are you still there?

Peter DeFazio: Yep. Hello, can you hear me?

Cat Hofacker: Hello?

DeFazio aide: Hey Cat, it’s Kerry. again. Sorry about that, I think the call just dropped? I don't know what happened.

Cat Hofacker: Oh, that's all right.

DeFazio aide: But, I think we were running up against our time anyway. Did you get everything you needed? Is there anything else?

Cat Hofacker: I believe so. I'm not sure he got to finish his final thought there. So if you would just be willing to circle back and ask him if he wanted to round that out?

DeFazio aide: Yeah. I’ll get that and follow up with you. And please let us know if there’s anything else you need.

Cat Hofacker: Great, thank you! Take care, bye.

DeFazio aide: Bye.