

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

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:
The Select Committee to Investigate :
Bureau of Aviation Pursuant to :
House Resolution 259 :
:
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Pages 1 through 25

Room 418
Main Capitol Building
Harrisburg, Pennsylvania

Wednesday, November 14, 1984

Met, pursuant to notice, at 10:10 a.m.

BEFORE:

REPRESENTATIVE AMOS K. HUTCHINSON, Chairman
REPRESENTATIVE VICTOR JOHN LESCOVITZ
REPRESENTATIVE BENJAMIN H. WILSON
REPRESENTATIVE BARRY L. ALDERETTE
REPRESENTATIVE RUDOLPH DININNI
REPRESENTATIVE CHARLES F. NAHILL, JR.
REPRESENTATIVE TED STUBAN
REPRESENTATIVE HARRY E. BOWSER
REPRESENTATIVE THOMAS J. MURPHY, JR.
REPRESENTATIVE WILLIAM R. LLOYD, JR.
REPRESENTATIVE JOSEPH A. STEIGNER
REPRESENTATIVE GEORGE MISCEVICH
REPRESENTATIVE GORDON J. LINTON

ALSO PRESENT:

KAREN S. FLEISHER
Legislative Assistant to Representative Wilson

Commonwealth Reporting Company, Inc.

700 Lisburn Road
Camp Hill, Pennsylvania 17011

Camp Hill
(717) 761-7150

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(215) 732-1687

ALSO PRESENT: (CONT'D)

WILLIAM F. LYONS, III
Legislative Assistant to Representative Wilson

SCOTT CASPER
Executive Director of House Transportation
Committee

PAUL LANDIS
Executive Director of Republican Transportation
Committee

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1 CHAIRMAN HUTCHINSON: The meeting is called to
2 order from the recess on House Resolution 259. It was
3 called for last week on Wednesday and Thursday, and they
4 called me up and said that there was answers that PennDOT
5 was supposed to get, and that's why this meeting is being
6 held this morning. Whatever answers they were told to bring
7 back, we will listen to them this morning.

8 Vic, what things was PennDOT supposed to bring?

9 REPRESENTATIVE LESCOVITZ: Comparison between the
10 '79 audit and the 1984 internal audit; and if they plan to
11 take those problems brought up in that audit, what
12 recommendations are they going to make to correct those.

13 CHAIRMAN HUTCHINSON: Don Bryan.

14 MR. BRYAN: Yes, sir.

15 CHAIRMAN HUTCHINSON: The question is why this
16 meeting was called is what I was told. The difference
17 between what audit?

18 REPRESENTATIVE LESCOVITZ: There was a 1979
19 Attorney General's audit, and a 1984 internal audit done
20 by the Department. It looked like there was still some
21 problems that kept recurring. What we want to find out
22 is what PennDOT -- does PennDOT have plans to correct those
23 specific problems, or what does PennDOT plan to do in the
24 way of aviation, with management, and the use of the state-
25 owned aircraft.

1 CHAIRMAN HUTCHINSON: Go ahead.

2 MR. BRYAN: My recollection of the hearings as
3 we left them was, indeed, as we said, you wanted some
4 additional information on the '79 audit of the Harrisburg
5 International Airport and on the one prepared last year by
6 our own Controller.

7 What we have done, is, we have taken both of those
8 audits. We have gone through them and I have prepared for
9 the committee a written response and takes the recommenda-
10 tions in the 1979 audit and gives the status of our work
11 regarding those recommendations up to the present time;
12 and then we have taken, as well, the 1984 audit and we have
13 taken the recommendations in that as well. I have for you
14 in writing the status of our follow-up actions.

15 In addition to that, we have looked at Harrisburg
16 International Airport from the point of view of our current
17 procedures. I can report to the committee that we have
18 procedures in place covering many of the things mentioned
19 in the audits, as well as some of the questions raised by
20 the committee at the last meeting. I have prepared for you
21 copies of our policy manual, statement on the airport.
22 There is in here details regarding our real estate management,
23 including particulars on our professional real estate manager
24 at the airport, who is licensed.

25 We have included, as well, two typical leases;

1 one for an airline, and another for a property renter/
2 developer at the airport. I believe from looking at these
3 leases, you will be able to see that we have in them the
4 kinds of things that were recommended in the earlier, as
5 well as the more recent audit; such as, late-payment penalty,
6 escalation clauses, and other provisions for control of
7 tenants if they don't pay, allowing us, for example, to
8 confess judgment; and, indeed, to reject them from the
9 airport.

10 There was a particular question raised regarding
11 occupancy by our manager at the airport of one of the
12 residents on the airport. I have included in this material
13 our policy regarding the requirement that one of the key
14 personnel at the airport, either the manager or the Chief of
15 Maintenance or the Chief of Police or Fire, be on the air-
16 port at all times. That policy, as well as the lease with
17 the manager, is included here.

18 I might say, that because of recent developments
19 at the airport, we are going to demolish the remaining homes
20 on the airport, so that at the present time, our Resident
21 Manager there has vacated the premises and now has a home
22 off field. However, we have made arrangements through the
23 FAA to have our Chief of Maintenance on 24-hour call, handy
24 to the airport, and we believe we can fulfill the need to
25 have someone close by at all times; even though, at this point,

1 as a matter of fact for the last month and hereafter, we
2 will no longer have a resident person on the airport. But,
3 all of the detail covering that is in this volume as well.

4 There was also, at the last hearing, a list
5 provided to us by Representative Wilson of a number of
6 Secretary Larson's flights. He requested for additional
7 information on those flights and the activities of the
8 Secretary on those dates. We have provided you with
9 answers to all of those questions.

10 Finally, at the last hearing, we were asked as
11 well to provide detailed information regarding work done by
12 the H. J. Williams Company for the Department. We have
13 provided a summary of contract work that that company has
14 done for the Department, beginning in 1973, up until the
15 present time. You can see the value of all of the contract
16 work, and for the recent years, you can see the number of
17 contracts for which that company was not the successful
18 bidder as well.

19 Finally, there is a general provision covering
20 all of that work, and that provision is, that the construc-
21 tion contracts were let by competitive bidding and awarded
22 only to the lowest responsible bidder.

23 That, I believe, Mr. Chairman, and Representative
24 Lescovitz, and others, covers, to my knowledge, the
25 questions that were raised at the last meeting. I would be

1 pleased to give this information to the committee. Although
2 I brought only one copy of it here, I can work from it if
3 you have other questions. We can provide additional copies,
4 or you yourself, perhaps, could copy this internally and
5 make distribution.

6 CHAIRMAN HUTCHINSON: Ben, do you have a question?

7 REPRESENTATIVE WILSON: I have a problem asking
8 questions on a document that I have yet to see. I guess
9 I have to have a general question.

10 We have an enormous amount of material that we
11 have covered, enormous amount of questions that we have
12 asked. I guess an enormous amount of answers that I feel
13 have not been quite adequate, or whatever. I guess I have
14 got to ask you and Secretary Larson if you feel at this
15 point in time if your operation of the Bureau of Aviation,
16 its airports, its leasing policies, its real estate action,
17 its aircraft ownership leases and uses it at a point, after
18 your operation for the past six years, that it should be
19 compared to a business, compared to a real estate business,
20 viewed on one hand, a flight operation of a major company,
21 if you would, on another hand.

22 The indications from both your audits, internal
23 audits, and Price Waterhouse, indicate that there is still
24 no written policy on anything; no written policies on the
25 management procurement of and use of aircraft. There's no

1 written policy on real estate, its management thereof.

2 There are no job specifications that I could determine for
3 the Bureau managers generally; your real estate manager,
4 Mr. Hamacher, has no background that I could determine.
5 I asked where to get it. He is a retired General, is the
6 only thing I could determine.

7 I wonder at this point in time if all of this
8 material hasn't kind of soaked in and you find that there
9 are some changes that should be made in the near future to
10 cure these problems that I have pointed out to you? I'm
11 sorry that we had to go through this great extent to point
12 them out to you, but I am afraid we did.

13 MR. BRYAN: First, let me say, Representative
14 Wilson, that we do believe, in some, that tremendous
15 progress has been made in all of the operations over the
16 last several years; in the operation of the airports,
17 in the conduct of our flight operations, in the development
18 of state-wide aviation program.

19 In saying that, I, at the same time, would make
20 the point that there is always room for change and for
21 improvement. So, the audits that were performed here,
22 including the Legislative Budget and Finance Committee
23 Reports, are used by us, are taken by us and used by us as
24 instruments to help us make further improvements in the
25 operation. I would say at each point in time when you look

1 at those audits, recommendations were made for improvements
2 and we have followed up on those recommendations. I expect
3 that as we go forward in time, there will always be suggeste
4 tions for improvement and we should take those suggestions
5 seriously, and we do, and continue to make improvements.

6 With regard to written policies, though, I must
7 take exception to this extent to your comment. We do have
8 written policies, state-wide, for the use of transportation
9 in the conduct of state business. We have them within the
10 Department. These are written management directives.

11 So far as the use of state aircraft use is
12 concerned, I believe it was shown the last time, we had
13 an opinion of counsel back in '79. There is a management
14 directive that has been revised most recently, March 1st,
15 1984, covering all of travel and subsistence allowances
16 for state employees. There's a Master Policy Manual
17 covering the operation of state-owned, leased, or chartered
18 aircraft that goes back several years; most recently
19 amended, October of this year. We do have a written manual
20 for the conduct of flight operations that we have had now
21 since 1982, as I recall, a copy of that which we provided
22 the last time.

23 I feel that in the area of the operation of
24 aircraft, there are, indeed, clear written policies in
25 place covering all aspects of it.

1 With regard to the state-wide programs, we have,
2 as well, produced there written guidelines for our loan and
3 grant program, for licensing and inspecting procedures. As
4 I mentioned the last time, those all exist. They are,
5 indeed, in writing.

6 At the airport, if there is a deficiency, and I
7 will admit to this, there has been a recommendation from
8 time to time that our leasing policies at the airport be
9 reduced to writing. We do have a number of uniform policies
10 governing the leasing and the use of property at the airport,
11 but on a consolidated basis, we do not yet have a full
12 policy that brings all of those pieces together. That does
13 not exist as I speak to you today. We are committed to
14 producing that this year.

15 We do have, however, and let me be very specific
16 on this, standard lease forms; copies, of which I have
17 provided to you in the material for today. We do have
18 uniform rates that apply at Harrisburg International and
19 Capital City Airport. I have included those rates in here
20 as well; for landing fees, for the rent of land, for the
21 rent of the buildings. So, there are uniform practices
22 in place. Although the complete comprehensive written
23 policy does not exist at this time, although I commit to
24 you that the pieces will be pulled together and we will
25 produce ~~that~~ this fiscal year.

1 CHAIRMAN HUTCHINSON: I have a question.

2 REPRESENTATIVE WILSON: May I continue, Mr.
3 Chairman.

4 CHAIRMAN HUTCHINSON: Why aren't the rates put
5 in regulations instead of policy? Policy does not hold
6 up in Court. Some of those things should be put into
7 regulations, which takes time to do away with. Policy can
8 be played with. I would like to see the rent --

9 I was over there yesterday and talking about
10 rent, people not paying it and what to do with them.
11 Without regulations, you can't throw them out very easy
12 with just a policy.

13 MR. BRYAN: Let me say this. That, if we were
14 to lock our rates literally into policy, we then would have
15 to, as I understand things, through the formal -- excuse
16 me. -- into regulations, we would then have to go through
17 that formal procedure of changing it. That would, in
18 my opinion, restrict our ability in negotiations with
19 tenants to respond to changes in the market, and there are
20 changes in the market.

21 CHAIRMAN HUTCHINSON: You can have that in the
22 regulations where you could arbitrate. What he was talking
23 yesterday, he was talking about bidding for places over
24 there, rather than have an arbitrary sit down and discuss
25 and come up to a figure.

1 What I mean, if you have the regulations, you
2 can at least have written in there that you could
3 arbitrarily ~~set~~ a figure. You don't have to have the rates,
4 but have it written in policy, have the same words in
5 regulations, because policy is something that I am fussy
6 about--all of the Departments.

7 I went over to PHA Housing. They never had
8 regulations for three years, and it was like a ladies'
9 poker game. The duces were wild if you had four aces in
10 your hand. So, I mean, you have to have regulations
11 so that I can do something about it. Policy can change
12 overnight.

13 MR. BRYAN: I would say that it would be possible,
14 I believe, and perhaps appropriate, to reduce the procedures
15 to regulations so that people knew on what basis they can
16 apply for and expect to get use of the state property.
17 If we could provide some flexibility in the rate structure
18 so that we can respond to the marketplace, that sort of
19 thing, I believe would be workable.

20 CHAIRMAN HUTCHINSON: Anybody else have a
21 question?

22 REPRESENTATIVE WILSON: Yes, I do. Mr. Bryan,
23 you said you developed written policy effective in October
24 of '84. That's a few days ago.

25 MR. BRYAN: For which --

1 REPRESENTATIVE WILSON: I think that's the words
2 I got, about some sort of written policy. Was that on
3 aircraft, or what?

4 MR. BRYAN: No. The Master Policy Manual on the
5 Operation and Use of State-owned Lease or Chartered Aircraft.
6 That goes back several years. It was most recently revised

7 --

8 REPRESENTATIVE WILSON: What does that deal with?
9 That deals with who can use --

10 MR. BRYAN: That's right. We made the most
11 recent revisions to reflect use by the legislature.
12 Actually, that was changed in August by letter, but we
13 officially -- and that was after our meeting with the
14 Legislative Budget and Finance Committee, but then we
15 officially amended the Master Policy Manual 1 October, 1984.

16 REPRESENTATIVE WILSON: Let me get this chronology
17 correct. You had a written policy on the use and who can
18 use state-owned aircraft?

19 MR. BRYAN: Yes, but it did not specifically
20 mention use by the legislature. It didn't exclude it, but
21 it didn't specifically mention it. When the Legislative
22 Budget and Finance Committee looked at the operation, they
23 made the recommendation that we make explicit the use of
24 the aircraft.

25 REPRESENTATIVE WILSON: I believe that's in the

1 Administrative Code. You have no choice.

2 MR. BRYAN: Well --

3 REPRESENTATIVE WILSON: I mean, as far as who
4 can use it. That's defined in the Administrative Code.
5 I don't think that's the point I want to make; is, that we
6 looked for some sort of a written policy as to who could
7 use state-owned aircraft; who determined what aircraft was
8 to be used for certain personnel; what personnel and persons'
9 family were allowed to be on board, and we found none. We
10 found no definition. You may have had a policy, but it
11 didn't say that it had to be cost effective; it had to be
12 cost utilized. We discovered many trips that were not
13 cost effective or cost utilized. If that was your policy
14 to be cost effective, then they were not adhered to.

15 MR. BRYAN: Well, our policy is to provide
16 transportation.

17 CHAIRMAN HUTCHINSON: Excuse me a minute. Cost
18 effective, what do you bring in, then, on your formula
19 for cost effective?

20 REPRESENTATIVE WILSON: We have had instances
21 where the state chartered aircraft when state-owned aircraft
22 was available sitting there, which means that we are having
23 the aircraft depreciate but not being used, and we went
24 outside and paid a profitable price for somebody else to use
25 it.

1 We have cases where the leasing of aircraft
2 outside for charter purposes, at the same time state-owned
3 aircraft were, as I would guess, renting aircraft that were
4 not cost utilized. Example I can think of in my mind is,
5 that the Secretary rented an airliner to fly to Pittsburgh
6 with four people. It was a Beach 99 rented and took four or
7 five people to Pittsburgh. I don't find that \$1,200 trip
8 to Pittsburgh from Harrisburg to be cost effective, or with
9 any kind of written policy that it adheres. There are some
10 others in there, but I --

11 CHAIRMAN HUTCHINSON: Isn't time of a person --
12 During last year or two years ago--I'm on the Highway
13 Commission, I flew to Greensburg on a Tuesday morning and
14 was back here to vote Tuesday afternoon because we had a
15 Commission meeting. Otherwise, I wouldn't have went there
16 because I didn't want to miss the session. That is time,
17 and nobody paid my fare on that plane. I also flew up to
18 another place, above Williamsport, at the same time for
19 another hearing and came back to vote. I mean, is that
20 cost effectiveness?

21 REPRESENTATIVE WILSON: I don't have any problem
22 with that, Amos, it isn't in writing anywhere as to what
23 is the decision to be made by the person running the flight
24 department. If that's the way to determine it, then it
25 should be written. I have no problem with that, except it is

1 not in writing.

2 CHAIRMAN HUTCHINSON: I would like to have it more
3 than policy. I would like to have it in regulations.

4 REPRESENTATIVE WILSON: That's fine. I think that's
5 wise.

6 CHAIRMAN HUTCHINSON: If this meeting has brought
7 that out, and I am not here to get after every person. This
8 session is about done; if we want to do something, we don't
9 have subpoena powers, we don't have anything, and somebody
10 mentioned Attorney General; that was the Auditor General,
11 wasn't it?

12 REPRESENTATIVE WILSON: Auditor General.

13 CHAIRMAN HUTCHINSON: They didn't finish. I read
14 the report last night. We are not here to crucify anybody.
15 If your main purpose is to get PennDOT to write either a
16 policy, and I'd rather have some of it in regulations, then
17 we will gain something, but we are not here to hang anybody
18 up like a rubber chicken, like I had a couple weeks ago.

19 REPRESENTATIVE WILSON: I have no disagreement
20 with that, Mr. Chairman. I think that what we need, however,
21 is a firm commitment out of the Secretary of Transportation
22 and his Deputy Secretary that the answer is not going to be
23 "we are working on it". Before this Resolution was intro-
24 duced, I personally met with the Secretary, and all I got
25 from him was "we are working on it". I don't think that's

1 adequate.

2 CHAIRMAN HUTCHINSON: I will guarantee you that I
3 will be -- My 7,700 votes will hold up in court, so I
4 don't have to worry about that, and I'll be Secretary of
5 Transportation (sic); and, if they don't by February 1st
6 start working on something what you want or something in
7 the neighborhood that I want, or maybe other members want,
8 then we will have another hearing and we will ask for
9 subpoena power.

10 REPRESENTATIVE STUBAN: I'm glad to know you,
11 Amos --

12 REPRESENTATIVE WILSON: Yes, sir. I like that.

13 CHAIRMAN HUTCHINSON: No, no, no. I'm not
14 qualified to be Secretary -- I mean, Secretary of
15 Transportation/Committee of the House. Sometimes, it gets
16 away. When you usually win by 3,000, you win by 7,700.
17 Your head gets a little big.

18 REPRESENTATIVE WILSON: Mr. Chairman, I would ask
19 that you amend one thing in your statement. I like your
20 statement; that we have in our hands that policy by February
21 the 1st; not the fact that they are going to start February
22 the 1st.

23 CHAIRMAN HUTCHINSON: If you're going to go by
24 policy, they can have it written, but by regulations
25 they wouldn't.

1 REPRESENTATIVE WILSON: They can have it before us
2 for consideration by that time.

3 CHAIRMAN HUTCHINSON: Right, some kind of form.

4 MR. BRYAN: As I understand, Mr. Chairman, you
5 are asking me to develop a draft regulation, if you will,
6 for the use of state-owned aircraft --

7 CHAIRMAN HUTCHINSON: Right.

8 MR. BRYAN: -- and have it in your hands by 1
9 February?

10 CHAIRMAN HUTCHINSON: Right.

11 REPRESENTATIVE WILSON: Mr. Chairman.

12 CHAIRMAN HUTCHINSON: And leasing. You are
13 talking about whether they lease a plane. This is another
14 thing.

15 REPRESENTATIVE WILSON: There are three areas you
16 have to cover.

17 CHAIRMAN HUTCHINSON: You are talking about leasing
18 airplanes. Airplanes are sexy.

19 REPRESENTATIVE WILSON: I'm glad I have one.

20 CHAIRMAN HUTCHINSON: I don't mean intercourse
21 or anything like that, but I mean they are sexy argument
22 for people. About 10 years ago, the Honorable Jim Kelly
23 was County Commissioner, and the three Commissioners wanted
24 to buy a plane; to go to Washington, to go to different
25 meetings they went to, to save time. There was a big

1 hullabaloo, not by the people, but other politicians that
2 didn't like it. Shapp bought an airplane, the Honorable
3 Governor Shapp bought an airplane, excuse me. He had to
4 sell it back, lease a plane, and by the time -- and
5 Thornburgh is still using that plane that they leased, that
6 the ex-Governor of New York had owned as a state employee.

7 I think that we have to get to a place that
8 aviation is a place in this country. A person's time that
9 is busy can't always go to an airport and sit and take a
10 15-hour round trip from Philadelphia that I took last
11 December the 7th, and almost went off the runway in
12 Pittsburgh with Leory Irvis and Caltigirone on the plane.

13 There is points that they might have went before
14 the stod king (phonetic) if it wasn't a regulatory
15 controlled system. I think they ought to have something
16 written. You are a hundred percent right, who goes on that
17 plane, what it is. If somebody else goes on that plane with
18 him, how much it cost. That's what I want. Is that all
19 right, then, with you?

20 REPRESENTATIVE WILSON: I think you are on the
21 right track, and I do think that we are going in the right
22 direction. It's a shame we had to have this hearing to get
23 them to go in the right direction.

24 I would suggest the areas to be covered are the
25 real estate management, the aircraft usage, who pays, who

1 uses, and under what circumstances they could be used, and
2 I think we need a job specification for the personnel they
3 have. Those are the three areas that I find there's been
4 no movement whatsoever, really.

5 REPRESENTATIVE DININNI: Mr. Chairman,

6 CHAIRMAN HUTCHINSON: Representative Dininni.

7 REPRESENTATIVE DININNI: Mr. Chairman, I would
8 like to pose a question to you also. You said you would
9 like to have policy written into the regulations, and you
10 included rental of properties, or rates. I disagree with
11 that a hundred percent.

12 CHAIRMAN HUTCHINSON: It couldn't be -- It could
13 be they could have it what they are going to do. It
14 couldn't be like playing from one ballpark to another. I
15 don't mean specific rates. We were told yesterday they
16 were going to bid on them and take the highest bidder. So,
17 the next time they could lease it to somebody else, if there
18 isn't -- Policy don't give you no clear-cut thing. Every
19 day you could be making policy.

20 REPRESENTATIVE DININNI: True, Amos, but yet,
21 at the same time, you know we are talking about local take-
22 over in the very near future, and yet, I don't want anything
23 where their hands are tied and then the local people are
24 going to be straddled with a long-term lease and it could
25 be a bad lease.

1 Let's take that bidding procedure. That may sound
2 good, regardless of how low it is, are you going to take it?
3 Is that the policy? I certainly hope not because we are
4 ~~affiliated~~ to be straddled with a lease here for 25, 30, 40,
5 50 years for peanuts, and you are going to ask me to permit
6 local takeover. No way will I do that.

7 CHAIRMAN HUTCHINSON: If they have local takeover
8 like we have in Westmoreland County, they have all --

9 REPRESENTATIVE DININNI: No, but you can't change
10 what is already done. To me, I like to give the Department
11 the authority and ability to go out and negotiate these
12 leases on a long-term basis, but a good one, as long as
13 they have escalator clauses. I don't think it should be
14 in the regulations. That's the only comment I have.

15 CHAIRMAN HUTCHINSON: We will work out something
16 by February the 1st. You and I and Ben can work out, and
17 the rest of the Committee can talk about that.

18 REPRESENTATIVE WILSON: Mr. Chairman, one thing
19 I have, if I may ask.

20 CHAIRMAN HUTCHINSON: Go ahead.

21 REPRESENTATIVE WILSON: I see the Secretary
22 sitting there. If he would agree to what we are coming to
23 in this point in time, his actions, because he is the leader
24 over Mr. Bryan, the Deputy Secretary. I would wonder if he
25 would care to make his commitment to this resulting

1 compromise, or whatever it is.

2 SECRETARY LARSON: I'm pleased to work with the
3 Chairman and this Committee to come to a resolution satis-
4 factory to the Committee. I pledge myself to do that in
5 the time frame that you said.

6 REPRESENTATIVE WILSON: I would like to submit
7 for the record a summary of what we found, Mr. Chairman.
8 I will just submit it into the record so that that would be
9 available to the Committee and to the Secretary for some
10 sort of a conclusion to those aspects.

11 CHAIRMAN HUTCHINSON: So accepted.

12 (Representative Wilson entered the following
13 conclusions for the record, based on the research done
14 into the policies and practices of PennDOT'S operation of
15 the Bureau of Aviation]:

16 SUMMARY

17 "Use of State Aircraft - Commuter use
18 questionable--Secretary Larson and Secretary Dennis
19 particularly.

20 "Scheduling practice not established (no
21 policy).

22 "Chartered aircraft for long trips question-
23 able. Commercial service availability not considered
24 as regular practice.

25 "Use and reimbursement for aircraft use by

1 relatives and non-employees not established.

2 "Underutilization of single engine aircraft?

3 "Coordination of flights inconsistent--evidence
4 of waste through unnecessary use of charters, excessive
5 deadheading, little attention paid to cost effective
6 operation of aircraft.

7 "Harrisburg International Airport:

8 "Automated accounting system failed, \$75,000
9 expense;

10 "Property Management firm fired, \$132,000 loss;

11 "\$536,000 'uncollectible' rents;

12 "Utility costs underestimated for billing--losses
13 unknown;

14 "Lessors occupy space without leases/payments--
15 losses unknown;

16 "Commission--basis tenants not audited or checked--
17 losses unknown;

18 "Two-thirds of all rent payments in arrears--no
19 late penalties--losses unknown;

20 "Wide disparity in rental rates, commission
21 percentages--undercharges for space--losses known;

22 "No master list of tenants' terms and available
23 property--losses unknown (no way to check on tenants);

24 "Airport Management personnel job specifications
25 non-existent."

1 CHAIRMAN HUTCHINSON: Anybody else have any
2 statements to make or any questions to ask, forever hold
3 your peace?

4 REPRESENTATIVE WILSON: No, no, no, not forever
5 hold their peace,

6 CHAIRMAN HUTCHINSON: Any questions?

7 (No audible response)

8 CHAIRMAN HUTCHINSON: The meeting is now
9 adjourned.

10

11

12 (At or about 10:35 a.m., the public
13 hearing was adjourned.)

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C E R T I F I C A T I O N

I, hereby certify, as the stenographic reporter,
that the foregoing proceedings were taken stenographically
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COMMONWEALTH REPORTING COMPANY, INC.

BY: 
Karen J. Runk - Reporter

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