

## FEDERAL AVIATION ADMINISTRATION

**Overview:** The Federal Aviation Administration's (FAA) mission is to promote aviation safety and reduce congestion by building, maintaining, and operating the Nation's air traffic control system; overseeing commercial and general aviation safety through regulation and inspection; and, providing assistance to improve the capacity and safety of our airports. The FY 2008 budget request of \$14.1 billion for the FAA reflects the Administration's commitment to increase the safety, performance, and capacity of our aviation system.

### FEDERAL AVIATION ADMINISTRATION BUDGET

(DOLLARS IN MILLIONS)

	<u>2006 Actual</u>	<u>2007 Cont. Res.</u>	<u>2007 Pres. Bud.</u>	<u>2008 Pres. Bud.</u>
OPERATIONS <sup>1/</sup>	8,104	8,104	8,366	N/A
FACILITIES & EQUIPMENT	2,555	2,481	2,503	N/A
RESEARCH, ENGINEERING, AND DEVELOPMENT	137	131	130	140
AIRPORT GRANTS (OBLIGATION LIMITATION)	3,515	3,515	2,750	2,750
AIR TRAFFIC ORGANIZATION <sup>2/</sup>	N/A	N/A	N/A	9,308
SAFETY AND OPERATIONS <sup>2/</sup>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,879</u>
<b>TOTAL</b>	<b>14,310</b>	<b>14,231</b>	<b>13,749</b>	<b>14,077</b>

1/ The FY 2006 Operations actual level totals \$8,104 million, including a base level of \$7,955 million plus \$149 million in transition funding to support the Flight Service Stations contract.

2/ The Air Traffic Organization (ATO) and Safety & Operations appropriations are new accounts proposed for FY 2008. The new account structure aligns with FAA's lines of business and the proposed FAA reauthorization legislation that would reform the financing structure of our Nation's air traffic control system.

### SUMMARY OF FAA FY 2008 INCREASES AND DECREASES

(DOLLARS IN MILLIONS)

	<u>Air Traffic Organization</u>	<u>Safety &amp; Operations</u>	<u>Research, Engineering &amp; Development</u>	<u>Airport Grants (Ob Lim)</u>	<u>Total</u>
<b>FY 2007 Base</b>	<b>9,080</b>	<b>1,789</b>	<b>130</b>	<b>2,750</b>	<b>13,749</b>
Pay Inflation Adjustments	249	51	1	2	303
Non-Pay Inflation Adjustments	40	8	0	0	48
Annualization of FY 2007 Initiatives	10	38	0	1	49
Non-recurring Costs or Savings (Preliminary)	-289	-5	0	0	-294
Base Re-engineering, Reductions or Adjustments	200	-40	0	-6	154
<b>FY 2008 Current Services Levels</b>	<b>9,290</b>	<b>1,841</b>	<b>131</b>	<b>2,747</b>	<b>14,009</b>
<b>Program Initiatives</b>	<b><u>18</u></b>	<b><u>38</u></b>	<b><u>9</u></b>	<b><u>3</u></b>	<b><u>68</u></b>
<b>FY 2008 Request</b>	<b>9,308</b>	<b>1,879</b>	<b>140</b>	<b>2,750</b>	<b>14,077</b>

## FY 2008 Budget

FAA's current financing structure expires at the end of FY 2007 and, therefore, in 2007 the Administration will transmit a reauthorization proposal that will transform FAA's current financing system. The aim is to create a more direct relationship between revenue collected and services received, thereby providing FAA with a stable revenue stream and creating incentives to make the National Airspace System more efficient and responsive to user needs.

The reauthorization proposal transforms FAA's excise tax financing system into a cost-based system that recovers the costs of providing air traffic control services to commercial aviation operators through user fees and the costs of providing air traffic services to general aviation operators through a fuel tax. FAA would have the authority to collect the user fees from commercial aviation users that directly offset the cost of FAA's operations; expenditure of the available fees would be affirmed in the appropriations process. General aviation users would continue to pay a fuel tax that would be deposited into the Airport and Airway Trust Fund for appropriation. A general fund component of FAA's budget would be maintained to cover activities that benefit the public good like safety oversight functions and public use of the airspace.



The FY 2008 budget assumes that FAA will implement its new financing mechanism starting in FY 2009 and that other elements of the reauthorization will be effective in FY 2008. To that end, the budget proposes a change in FAA's appropriations account structure. Beginning in FY 2008, FAA will replace its Operations and Facilities and Equipment accounts with the Air Traffic Organization and Safety and Operations accounts. These new accounts align with FAA's lines of business. The remaining appropriations accounts - Grants-in-Aid for Airports and Research, Engineering, and Development - would remain unchanged.





**Air Traffic Organization:** The FY 2008 budget requests \$9.3 billion for the Air Traffic Organization (ATO) account. This account provides funds for the operation, maintenance, communications, and logistical support of the air traffic control and air navigation systems.

**Safety & Operations:** The FY 2008 budget requests \$1.9 billion for the Safety & Operations account. This account provides funds for the administrative and managerial costs for the FAA's regulatory, international, medical, engineering, and development programs as well as policy oversight and overall management functions.

**Research, Engineering, and Development:** The budget requests \$140 million, including \$91.3 million for continued research on aviation safety issues. The remaining research funding is for reduced congestion and environmental issues, including \$14.3 million for the Joint Planning and Development Office.

**Grants-in-Aid for Airports:** The budget request includes \$2.8 billion for planning and development of the Nation's airports, including grants for security, safety, capacity, and noise-reduction projects. The request also includes \$80.7 million for administrative expenses, \$10 million for Airport Cooperative Research, and \$18.7 million for airport technology research.



**FEDERAL AVIATION ADMINISTRATION**  
**CAPITAL PROGRAMS**  
(Dollars in Millions)

<b><i>Safety</i></b>	
Wide Area Augmentation System	116
Airport Surface Detection Equipment - Model X	38
Safety Database and Computer Systems	32
Safe Flight 21	17
Advanced Technology	10
Other (including mission support)	47
Personnel compensation, benefits, and travel	79
<b><i>Reduced Congestion</i></b>	
Automatic Dependent Surveillance-Broadcast (ADS-B) Implementation	86
Traffic Management Advisor	15
Oceanic Automation	53
En Route Automation	382
Terminal Automation	40
Terminal Digital Radar	20
Improve Weather Systems	29
Improve Communications	98
Infrastructure Improvements	319
Other (including mission support)	454
Personnel compensation, benefits, and travel	324
<b><i>Global Connectivity</i></b>	
Visual NavAids-Replace Visual Approach Slope Indicator (VASI) with Precision Approach Path Indicator (PAPI)	3
Personnel compensation, benefits, and travel	1
<b><i>Environmental Stewardship</i></b>	
NAS Facilities OSHA Standards	26
Replace Fuel Tanks	6
Hazardous Materials Clean-Up	18
Personnel compensation, benefits, and travel	12
<b><i>Security, Preparedness and Response</i></b>	
Facility Risk Management	22
NAS Recovery Communications	10
Information Security	11
Logical Access Control	7
Personnel compensation, benefits, and travel	11
<b><i>Organizational Excellence</i></b>	
Telecommunications Infrastructure	9
Other	134
Personnel compensation, benefits, and travel	33
<b>Total</b>	<b>2,462</b>