




Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: INFORMATION: Audit Announcement—
Prioritization of Airport Improvement Program
Funds
Project No. 06A3014A000

Date: July 27, 2006

From: David A. Dobbs 
Assistant Inspector General
for Aviation and Special Program Audits

Reply to
Attn. of: JA-10

To: Assistant Administrator
for Financial Services/CFO

The Office of Inspector General plans to conduct an audit of the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP). The AIP supports the airport system by providing grant funds primarily to enhance safety and security, maintain the infrastructure, increase capacity to accommodate more passenger and cargo traffic, and mitigate airport noise in surrounding communities. The AIP appropriations for fiscal year (FY) 2005 and FY 2006 were about \$3.5 billion each year. The AIP program is currently authorization through FY 2007.

FAA data show that the number of domestic passengers increased from 628 million in FY 2004 to 685 million in FY 2005. As a result, there is a growing demand for major airport capacity projects. With FAA budgets exceeding Aviation Trust Fund revenues, FAA faces difficult decisions about which projects to fund and which projects to delay.

The objective of the audit is to evaluate the effectiveness of FAA's policies and procedures for ensuring that the highest priority airport improvement projects are funded.

The audit will be conducted at FAA Headquarters in Washington, DC, and selected FAA Regions and Airport District Offices. We plan to start the audit during the week of August 21, 2006, and will contact your audit liaison to schedule an entrance conference.

The Program Director for this audit is Scott Macey, and the Project Manager is Stephen Jones. If you have any questions or require additional information concerning this audit, please call Mr. Jones at (415) 744-0425 or Mr. Macey at (415) 744-0434.

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cc: Deputy Administrator, FAA
Acting Associate Administrator for Airports
Anthony Williams, ABU-100
Martin Gertel, M-1