



Highlights of [GAO-07-490T](#), a testimony to Subcommittee on Aviation, Committee on Transportation and Infrastructure, House of Representatives

## Why GAO Did This Study

FAA operates one of the safest air transportation systems in the world. It is, however, a system under strain. The skies over America are becoming more crowded every day. FAA faces the daunting task of safely integrating a growing influx of passengers and aircraft into the system and simultaneously leading the transition to the Next Generation Air Transportation System (NextGen)—a complicated effort to modernize the system. FAA's broad responsibilities to maintain and modernize the nation's air transportation system must be met in an uncertain budgetary and long-term fiscal environment. GAO's concerns about financing the nation's transportation system, including aviation, led GAO to designate this issue as high-risk.

This statement is based on recent reports and interviews with FAA officials. It focuses on FAA's challenges relating to (1) ensuring the continued safe operation of the nation's airspace system, (2) continuing to improve FAA's management while leading the transition to NextGen, and (3) funding issues concerning capital improvements for airports and FAA's reauthorization.

## What GAO Recommends

In prior reports, GAO has made recommendations to address data and management problems. Although FAA has begun to address them, many have not been fully implemented.

[www.gao.gov/cgi-bin/getrpt?GAO-07-490T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-490T). To view the full product, including the scope and methodology, click on the link above. For more information, contact Gerald Dillingham, Ph.D., 202-512-2834, [dillingham@gao.gov](mailto:dillingham@gao.gov).

# FEDERAL AVIATION ADMINISTRATION

## Challenges Facing the Agency in Fiscal Year 2008 and Beyond

### What GAO Found

To ensure continued safety within the national airspace system, FAA is using risk-based, data-driven safety programs to oversee the industry; however, the agency faces data and human resource challenges that affect its ability to fully implement these programs. GAO has previously recommended that FAA improve the accuracy and completeness of the safety data and analysis of that data needed to monitor safety trends, fully implement its safety programs, and assess their effectiveness to determine if they are focused on the greatest safety risk. FAA has made progress in this area but more remains to be done. FAA's ability to oversee the aviation industry will be further affected by its ability to hire, train, and deploy its primary workforce of safety inspectors, engineers, and air traffic controllers. The expansion of FAA's oversight program for air carriers will result in workload shifts for its inspectors that will make it important for FAA to improve its staffing process. In addition, the agency estimates that it will lose about 70 percent of the air traffic controller workforce over the next 10 years, primarily due to retirements.

FAA has made significant progress in implementing management processes and systems that use leading practices of private sector businesses; however, further work remains to institutionalize these efforts. For example, new and improved acquisition processes and oversight have contributed to FAA meeting its acquisition cost and schedule goals for the last three years. Additional work remains, though—FAA received a qualified opinion on its most recent financial audit as a result of lack of support for the accuracy of about \$4.7 billion for equipment. Moreover, GAO has previously recommended that FAA should undertake additional efforts to consolidate its facilities and outsource some of its services to further cut costs. Some key challenges for the transition to NextGen include completing the design and cost estimates for NextGen and proposing how that cost will be funded. FAA will also need to assess its capacity to handle the technical and contract management expertise that will be required to oversee the implementation of NextGen.

FAA estimates that the total cost for planned airport development that is eligible for funding from the Airport Improvement Program (AIP) will be about \$42 billion for 2007 through 2011. FAA's budget request for fiscal year 2008 proposes significant cuts in AIP. These cuts, along with changes to the way AIP is allocated among airports and possible increases in the cap on passenger ticket charges for airport projects, could have implications for the amount of funding available for planned airport development, especially at small airports. Additionally, the taxes that fund the Airport and Airway Trust Fund are scheduled to expire at the end of fiscal year 2007. Until Congress reauthorizes those taxes, FAA's ability to carry out programs related to airport development as well as some other programs throughout the agency may be in jeopardy, compounding the safety and management challenges facing FAA.