



Highlights of [GAO-08-460T](#), a testimony before the Subcommittee on Aviation, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

Fiscal year 2009 will be a critical year for the Federal Aviation Administration (FAA), with the pending selection of a new Administrator, the beginning of the 5-year term of the new Chief Operating Officer, and the continuing process of transforming the nation's current air traffic control system to the Next Generation Air Transportation System (NextGen)—a complicated effort to modernize the air traffic control system. In addition, FAA is currently operating under a temporary reauthorization. Without legislative action, both the excise taxes that fund the Airport and Airway Trust Fund (Trust Fund) and FAA's authority to spend from the Trust Fund will expire at the end of this month.

This statement is based on recent reports and discussions with selected senior FAA officials and representatives of aviation industry and stakeholder groups. This statement provides GAO's preliminary observations on some key aspects of the President's proposed budget for FAA for fiscal year 2009, and identifies some of the current and future challenges facing FAA and the Congress.

What GAO Recommends

In prior reports, GAO has made recommendations to address a number of the management challenges presented in this statement. FAA has begun to address GAO's recommendations, although many have not yet been fully implemented.

To view the full product, including the scope and methodology, click on [GAO-08-460T](#). For more information, contact Gerald L. Dillingham, Ph.D., at (202) 512-2834 or dillingham@gao.gov.

FEDERAL AVIATION ADMINISTRATION

Challenges Facing the Agency in Fiscal Year 2009 and Beyond

What GAO Found

Although the President's budget for FAA proposes major changes in the agency's funding, the current funding mechanisms—the Trust Fund and the General Fund of the U.S. Treasury—can potentially support FAA activities, including NextGen; however, timely reauthorization of the authorities to collect Trust Fund revenues and to spend from the Trust Fund is critical. The expiration of either or both of these authorities could have significant negative effects on FAA's ability to carry out its mission unless other revenue sources and spending authority are provided. FAA also has expressed concern that revenues from the current funding mechanisms depend heavily on factors, such as ticket prices, that are not connected to FAA's workload and costs. We believe that a better alignment of FAA's revenues and costs can address concerns about long-term revenue adequacy, equity, and efficiency as intended, but the ability of the proposed funding mechanisms to link revenues and costs depends critically on the soundness of FAA's cost allocation system in allocating costs to users.

FAA faces a number of challenges in ensuring the continued safe and efficient operation of the current National Airspace System. According to the Department of Transportation (DOT), delays and cancellations during the summer of 2007 exceeded those in the summer of 2006. In the near term, DOT and FAA are exploring various initiatives to relieve the stress on the system. But FAA also must continue to address safety issues, particularly in the area of runway safety. FAA is currently deploying a new radar-based ground surveillance system and has encouraged airport improvements, such as changes to runway layout, markings, signage, and lighting. Nonetheless, we recently recommended that FAA prepare a new national runway safety plan and address air traffic controller overtime and fatigue issues that may affect runway safety. We also have made recommendations concerning FAA's collection and analysis of data, which are key to the agency's implementation of a risk-based, system safety approach. Another challenge facing FAA will be its need to continue hiring and training thousands of air traffic controllers over the next decade to replace those who will retire and leave for other reasons, particularly given that controllers are retiring at a faster rate than FAA anticipated.

FAA also faces a number of management challenges associated with the early implementation of NextGen—an enormously complicated undertaking due to the technological complexities, numerous stakeholders, and broad scope of the effort. As FAA moves closer to undertaking a number of major NextGen system acquisitions, a critical component for keeping such acquisitions on track will be having the right skill set within the agency to successfully manage NextGen programs. Another challenge for FAA is developing a new plan for configuring facilities and airspace that will support NextGen. In addition, FAA continues to face challenges in meeting the research and development requirements of NextGen and in establishing credibility with stakeholders that the agency is fully committed to and capable of implementing NextGen.