

## Exhibit 300: Capital Asset Plan and Business Case Summary

### Part I: Summary Information And Justification (All Capital Assets)

#### Section A: Overview (All Capital Assets)

1. Date of Submission: 7/12/2007
2. Agency: Department of Transportation
3. Bureau: Federal Aviation Administration
4. Name of this Capital Asset: FAAXX612: System Approach for Safety Oversight (SASO/AVS), Incorporates: FAAXX161; FAAXX166; FAAXX270; FAAXX277; FAAXX278; FAAXX280; FAAXX416; FAAXX418; FAAXX420; and FAAXX444
5. Unique Project (Investment) Identifier: (For IT investment only, see section 53. For all other, use agency ID system.) 021-12-01-14-01-1050-00
6. What kind of investment will this be in FY2009? (Please NOTE: Investments moving to O&M in FY2009, with Planning/Acquisition activities prior to FY2009 should not select O&M. These investments should indicate their current status.) Full Acquisition
7. What was the first budget year this investment was submitted to OMB? FY2006

8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap:

Summary: The SASO Program is Flight Standards (AFS) response to the FAA Flight Plan goal to increase safety. To accomplish this SASO is transforming AFS and the aviation industry to a national standard of System Safety (i.e. preventing accidents before they happen). The difference between the current "compliance" approach and the "System Safety standard" is the performance gap the SASO program is closing. A FY2005 cost-benefit study estimates that SASO can reduce the fatal air carrier accident rate by 20%, reduce fatal general aviation accidents to no more than 319 per year, save the FAA \$373,800,000 in labor and IT; and save the aviation industry \$715,200,000 in damages. By the end of FY2009 SASO expects to reduce the fatal air carrier accident rate by 80% to 0.010 per 100,000 departures (i.e. 1 fatal accident per million flights) and reduce the average number of fatal general aviation accidents to 327. SASO is doing this by changing the way AFS and the aviation industry oversee and manage safety and by realigning 25 independent FAA safety systems into a single System Safety based enterprise architecture that serves 4,800 FAA Aviation Safety employees, in 8 regions, at more than 120 headquarters and field offices, and is capable of supporting more than 25,000 aviation industry professionals managing aviation safety throughout the United States and around the world.

Status: SASO is in Useful Segment 2 in the CPIC Control Phase of a 20-year initiative, consisting of 4 Useful Segments:

Segment	Phase	Duration	Status	Funding
Useful Segment 1 (Planning)	Select	FY03-FY05	Complete	O&M
Useful Segment 2 (Engineering)	Control	FY06-FY09	Ongoing	F&E
Useful Segment 3 (Implementation)	Control	FY10-FY16	Pending	Unfunded
Useful Segment 4 (In-Service Mgt)	Evaluate	FY17-FY22	Pending	Unfunded

The FAA approved the final investment decision for Useful Segment 2 on January 26, 2005. Useful Segment 2 involves reengineering FAA business processes to incorporate system safety and pilot testing those business processes to demonstrate the effectiveness and efficiency of system safety. BY09 is the final year of Useful Segment 2 and focuses on pilot testing. A final investment decision for Useful Segment 3 is expected in July 2008. SASO is in full acquisition, O&M activities and costs are not expected to start until 2010.

9. Did the Agency's Executive/Investment Committee approve this request? Yes
- a. If "yes," what was the date of this approval? 1/26/2005
10. Did the Project Manager review this Exhibit? Yes
11. Contact information of Project Manager?
- Name: Dennis Niemeier
- Phone Number: Redacted
- Email: Dennis.Niemeier@faa.gov
- a. What is the current FAC-P/PM certification level of the project/program manager? Senior/Expert-level
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project? No
- a. Will this investment include electronic assets? Yes

(including computers)?

b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only) No

1. If "yes," is an ESPC or UESC being used to help fund this investment?

2. If "yes," will this investment meet sustainable design principles?

3. If "yes," is it designed to be 30% more energy efficient than relevant code?

13. Does this investment directly support one of the PMA initiatives? No

If "yes," check all that apply:

a. Briefly and specifically describe for each selected how this asset directly supports the identified initiative(s)? (e.g. If E-Gov is selected, is it an approved shared service provider or the managing partner?)

14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)? (For more information about the PART, visit www.whitehouse.gov/omb/part.) Yes

a. If "yes," does this investment address a weakness found during a PART review? Yes

b. If "yes," what is the name of the PARTed program? AVS Operations Funding

c. If "yes," what rating did the PART receive? Effective

15. Is this investment for information technology? Yes

If the answer to Question 15 is "Yes," complete questions 16-23 below. If the answer is "No," do not answer questions 16-23.

For information technology investments only:

16. What is the level of the IT Project? (per CIO Council PM Guidance) Level 2

17. What project management qualifications does the Project Manager have? (per CIO Council PM Guidance) (1) Project manager has been validated as qualified for this investment

18. Is this investment or any project(s) within this investment identified as "high risk" on the Q4 - FY 2007 agency high risk report (per OMB Memorandum M-05-23) No

19. Is this a financial management system? No

a. If "yes," does this investment address a FFMI compliance area?

1. If "yes," which compliance area:

2. If "no," what does it address?

b. If "yes," please identify the system name(s) and system acronym(s) as reported in the most recent financial systems inventory update required by Circular A-11 section 52

20. What is the percentage breakout for the total FY2009 funding request for the following? (This should total 100%)

Hardware	0.000000
Software	36.000000
Services	64.000000
Other	0.000000

21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities? Yes

22. Contact information of individual responsible for privacy related questions:

Name	Mauney, Carla
Phone Number	Redacted
Title	Privacy Officer
E-mail	carla.mauney@faa.gov

23. Are the records produced by this investment appropriately scheduled with the National Archives and Yes

Records Administration's approval?

Question 24 must be answered by all Investments:

24. Does this investment directly support one of the GAO High Risk Areas? No

**Section B: Summary of Spending (All Capital Assets)**

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated "Government FTE Cost," and should be excluded from the amounts shown for "Planning," "Full Acquisition," and "Operation/Maintenance." The "TOTAL" estimated annual cost of the investment is the sum of costs for "Planning," "Full Acquisition," and "Operation/Maintenance." For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

Table 1: SUMMARY OF SPENDING FOR PROJECT PHASES (REPORTED IN MILLIONS)									
(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)									
	PY-1 and earlier	PY 2007	CY 2008	BY 2009	BY+1 2010	BY+2 2011	BY+3 2012	BY+4 and beyond	Total
Planning:	5.152	1	0.5	0	Redacted	Redacted	Redacted	Redacted	Redacted
Acquisition:	19.508	21	13.8	17.3	Redacted	Redacted	Redacted	Redacted	Redacted
Subtotal Planning & Acquisition:	24.660	22	14.3	17.3	Redacted	Redacted	Redacted	Redacted	Redacted
Operations & Maintenance:	0	0	0	0	Redacted	Redacted	Redacted	Redacted	Redacted
TOTAL:	24.660	22	14.3	17.3	Redacted	Redacted	Redacted	Redacted	Redacted
<b>Government FTE Costs should not be included in the amounts provided above.</b>									
Government FTE Costs	2.01	0.63	0.662	0.695	Redacted	Redacted	Redacted	Redacted	Redacted
Number of FTE represented by Costs:	17	5	5	5	Redacted	Redacted	Redacted	Redacted	Redacted

Note: For the multi-agency investments, this table should include all funding (both managing partner and partner agencies). Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's? No

a. If "yes," How many and in what year?

3. If the summary of spending has changed from the FY2008 President's budget request, briefly explain those changes: Redacted

**Section C: Acquisition/Contract Strategy (All Capital Assets)**

1. Complete the table for all (including all non-Federal) contracts and/or task orders currently in place or planned for this investment. Total Value should include all option years for each contract. Contracts and/or task orders completed do not need to be included.



2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

In accordance with FAA requirements, the SASO program has not included EVM requirements into the small valued contracts. However, to assist the program manager in managing the program and to offset risks in the T&M type contracts, all contractors are required to submit monthly Contractor Performance Reports to the SASO program office. The SASO program office then internally completes the EVM documents needed for monthly EVM reporting to the FAA/DOT and OMB. A recent Re-Assessment by the FAA EVM focal point confirmed the SASO EVM process and procedures were totally compliant with the five ANSI 748 standards (1) Organization, (2) Planning, (3) Performing/Accounting, (4) Analyzing & Report, and (5) Change Management. The SASO Program Manager is making every effort to convert existing T&M contracts to FFP Performance Based contracts as required tasks and the FAA contracting office will permit. The current T&M contracts were awarded due to program funding uncertainties which prevented sufficient contract reserves and because a number of the required tasks (i.e. BPR & CMI) were so large and hard to bound that the cost of an FFP contract exceeded the available funding for the approved segment. Consistent with the AMS, the SASO ISP is reviewed annually and updated when necessary to reflect changes in approach or new JRC decisions.

3. Do the contracts ensure Section 508 compliance? Yes

a. Explain why:

In accordance with FAA's Section 508 Procurement SOP, the SASO program has determined that the following Section 508 standards apply to the program and comply with each applicable standard: 1194.21, 1994.22, 1194.26, 1194.31, & 1194.41. Segment II of the programs acquisition strategy will not involve any IT HA/SW acquisition or development, only a Web presence. The contractor providing Web content support has a section 508 compliance statement in their contract.

4. Is there an acquisition plan which has been approved in accordance with agency requirements? Yes

a. If "yes," what is the date?

10/1/2006

b. If "no," will an acquisition plan be developed?

1. If "no," briefly explain why:

### Section D: Performance Information (All Capital Assets)

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures (indicators) must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use the following table to report performance goals and measures for the major investment and use the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for each of the four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov). The table can be extended to include performance measures for years beyond FY 2009.

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
2006	Organizational Excellence	Customer Results	Customer Benefit	Customer Impact or Burden	Each FAA organization will contribute at least one cost reduction activity each year to its Business Plan with measurable, significant cost savings. Cost of aviation safety inspections to taxpayer.	Was \$269,650,723. Annual cost of non-system-safety-based aviation safety inspections to the taxpayer in 2003 was \$269,650,723.	Wanted to stay below \$270,000,00. Maintain the annual cost of non-system-safety-based aviation safety inspections in 2006 at or below \$270,000,000. Method: Replace non-system safety inspections with system safety audits.	Missed Goal. The annual cost of non-system-safety-based aviation safety inspections in 2006 was \$299,000,000 exceeding the \$270,000,000 cap by \$29,000,000. Reason: Delay in SASO funding. Mitigation: Accelerate spending.
2006	Safety	Mission and Business Results	Transportation	Air Transportation	FAA Strategic Goal # 1: Increased	The 3-year rolling average of the annual	Wanted to reduce the 3-year rolling	Achieved CA Goal, reduced to 0.023. The 3

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
					Safety. FAA Objective # 1: Reduce commercial aviation fatal accident rate. FAA Objective #2 - Reduce the number of fatal accidents in general aviation.	commercial aviation fatal accident rate in 1994-1996 was 0.050 per 100,000 departures. The 3-year rolling average of general aviation and air taxi accidents per year during period 1994-1996 was 385.	average annual commercial aviation fatal accident rate by 0.010 to 0.040 in 2006. Wanted to reduce rolling 3-year average of fatal general aviation accidents per year by 4% to 370 in 2006.	year rolling average of the annual CA fatal accident rate was decreased by 0.027 to 0.023 in 2006. Achieved GA Goal, decreased to 313. The 3 year rolling average of fatal GA accidents was decreased by 19%.
2006	Organizational Excellence	Processes and Activities	Cycle Time and Resource Time	Cycle Time	Cycle Time (i.e. average time to conduct an aviation system safety audit).	Was 688. Average time to conduct a typical system safety audit for a major carrier in 2003 was 688 manhours	Wanted to decrease to 654. Reduce the average time to conduct a typical system safety audit by 5% to 654 in 2006. Method: Collaborate with certificate holders to perform joint system safety audits thereby sharing the workload.	Missed Goal, Decreased only to 681. The average time to conduct a typical system safety audit was reduced by 1% in 2006 to 681 manhours. Reason: Delay in SASO funding. Mitigation: Accelerate spending in 2007.
2006	Safety	Processes and Activities	Management and Innovation	Innovation and Improvement	Percentage of oversight processes reengineered to incorporate System Safety.	Percentage of oversight processes reengineered to incorporate system safety was 0% during the period 1994-1996.	Wanted to increase the percentage of oversight processes that incorporate system safety by 10% in 2006. Method: Business Process Reengineering.	Achieved Goal, Increased to 26%. The percentage of oversight processes that incorporate system safety was increased by 26% at the end of 2006 from the period 1994-1996.
2006	Safety	Processes and Activities	Productivity and Efficiency	Efficiency	Productivity (i.e. number of National Program Guidelines based aviation safety inspections).	Number of non-system-safety-based aviation safety inspections in 2003 was 285,120.	Wanted to decrease the average number of non-system-safety-based aviation safety inspections by 5% to 270,864 in 2006. Method: replace non-system safety inspections with system safety audits.	Missed Goal. The average # of non-system safety inspections increased by 11% to 315,603. Reason: A change in AFS policy regarding the calculation and reporting of repair station inspections. Mitigation: the baseline will be updated using 2006 data.
2006	Safety	Technology	Effectiveness	User Requirements	Percentage of System Safety functions automated.	20% of system safety functions automated in 2004.	Wanted to increase percentage of system safety functions automated by 10% to 30% in 2006. Method: modify existing applications to incorporate system safety functions.	Missed Goal, automated functions remained at 20%. The percentage of system safety functions automated remained the same in 2006 as it was in 2004. Reason: Delay in SASO funding. Mitigation: Accelerate spending in 2007.
2006	Safety	Technology	Efficiency	Interoperability	Percentage of aviation safety data shared	Less than 10% of aviation safety data was	Wanted to increase the percentage of	Achieved Goal, increased to 34%. The

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
					between FAA and the aviation industry.	shared between FAA and the aviation industry by 2004.	aviation safety data shared between FAA and the aviation industry by 10% to 20% in 2006. Method: Provide incentives to participation in voluntary data sharing programs.	percentage of aviation safety data shared between the FAA and the aviation industry increased to 34% in 2006.
2007	Organizational Excellence	Customer Results	Customer Benefit	Customer Impact or Burden	Each FAA organization will contribute at least one cost reduction activity each year to its Business Plan with measurable, significant cost savings. Cost of aviation safety inspections to taxpayer.	Annual cost of non-system-safety-based aviation safety inspections to the taxpayer in 2003 was \$269,650,723.	Control the annual cost of aviation safety inspections in 2007 at or below \$270,000,000 by incrementally replacing them with more efficient system safety audits.	Data will be available in 1st quarter 2008.
2007	Safety	Mission and Business Results	Transportation	Air Transportation	FAA Strategic Goal #1: Increased Safety. FAA Objective #1: Reduce commercial aviation fatal accident rate. FAA Objective #2: Reduce the number of fatal accidents in general aviation.	The 3-year rolling average of the annual commercial aviation fatal accident rate in 1994-1996 was 0.050 per 100,000 departures. The 3-year rolling average of general aviation and air taxi accidents per year during period 1994-1996 was 385.	Reduce the 3-year rolling average annual commercial aviation fatal accident rate by 0.010 in 2007. Reduce rolling 3-year average of fatal general aviation accidents per year by 4% in 2007.	Data will be available in 2nd quarter 2008.
2007	Organizational Excellence	Processes and Activities	Cycle Time and Resource Time	Cycle Time	Cycle Time (i.e. average time to conduct an aviation system safety audit).	Average time to conduct a typical CASS (maintenance system) aviation safety audit for a major carrier in 2003 was 688 manhours.	Reduce the average time to conduct a typical system safety audit in 2007 by 5% by sharing selected safety data collection responsibilities with industry.	Data will be available in 1st quarter 2008.
2007	Safety	Processes and Activities	Management and Innovation	Innovation and Improvement	Percentage of oversight processes reengineered to incorporate system safety.	Percentage of oversight processes reengineered to incorporate system safety was 0% during the period 1994-1996.	Increase the percentage of oversight processes that incorporate system safety by 10% in 2007.	Data will be available in 1st quarter 2008.
2007	Safety	Processes and Activities	Productivity and Efficiency	Efficiency	Productivity (i.e. number of National Program Guidelines based aviation safety inspections).	Number of National Program Guidelines based aviation safety inspections in 2003 was 285,120	Decrease the average number of non-system-safety-based aviation safety inspections in 2007 by 5% by incrementally replacing them with more efficient system safety audits.	Data will be available in 2nd quarter 2008.
2007	Safety	Technology	Effectiveness	User Requirements	Percentage of system safety functions automated. Number of system safety requirements defined.	20% of system safety functions were automated in 2004.	Increase percentage of system safety functions automated by 10% in 2007.	Data will be available in 1st quarter 2008.

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
2007	Safety	Technology	Efficiency	Interoperability	Percentage of aviation safety data shared between FAA and the aviation industry.	Less than 10% of aviation safety data was shared between FAA and the aviation industry in 2004.	Increase the percentage of aviation safety data shared between FAA and the aviation industry in 2007 by 10%.	Data will be available in 1st quarter 2008.
2008	Organizational Excellence	Customer Results	Customer Benefit	Customer Impact or Burden	Each FAA organization will contribute at least one cost reduction activity each year to its Business Plan with measurable, significant cost savings. Cost of aviation safety inspections to taxpayer.	Annual cost of non-system-safety-based aviation safety inspections to the taxpayer in 2003 was \$269,650,723.	Control the annual cost of aviation safety inspections in 2008 at or below \$270,000,000 by incrementally replacing them with more efficient system safety audits.	Data will be available in 1st quarter 2009.
2008	Safety	Mission and Business Results	Transportation	Air Transportation	FAA Strategic Goal #1: Increased Safety. FAA Objective #1: Reduce commercial aviation fatal accident rate. FAA Objective #2: Reduce the number of fatal accidents in general aviation.	The 3-year rolling average of the annual commercial aviation fatal accident rate in 1994-1996 was 0.050 per 100,000 departures. The 3-year rolling average of general aviation and air taxi accidents per year during period 1994-1996 was 385.	Reduce the 3-year rolling average annual commercial aviation fatal accident rate to 0.010 in 2008. Reduce rolling 3-year average of fatal general aviation accidents per year by 4% in 2008.	Data will be available in 2nd quarter 2009.
2008	Organizational Excellence	Processes and Activities	Cycle Time and Resource Time	Cycle Time	Cycle Time (i.e. average time to conduct an aviation system safety audit).	Average time to conduct a typical CASS (maintenance system) aviation safety audit for a major carrier in 2003 was 688 manhours.	Reduce the average time to conduct a typical system safety audit in 2008 by 5% by sharing selected safety data collection responsibilities with industry.	Data will be available in 1st quarter 2009.
2008	Safety	Processes and Activities	Management and Innovation	Innovation and Improvement	Percentage of oversight processes reengineered to incorporate system safety.	Percentage of oversight processes reengineered to incorporate system safety was 0% during the period 1994-1996.	Increase the percentage of oversight processes that incorporate system safety by 10% in 2008.	Data will be available in 1st quarter 2009.
2008	Safety	Processes and Activities	Productivity and Efficiency	Efficiency	Productivity (i.e. number of National Program Guidelines based aviation safety inspections).	Number of National Program Guidelines based aviation safety inspections in 2003 was 285,120.	Decrease the average number of non-system-safety-based aviation safety inspections in 2008 by 5% by incrementally replacing them with more efficient system safety audits.	Data will be available in 2nd quarter 2009.
2008	Safety	Technology	Efficiency	Interoperability	Percentage of aviation safety data shared between FAA and the aviation industry.	Less than 10% of air carriers voluntarily shared aviation safety data with the FAA in 2004.	Increase the percentage of aviation safety data shared between FAA and the aviation industry by 10% in 2008.	Data will be available in 1st quarter 2009.
2008	Safety	Technology	Quality	Functionality	Percentage of System Safety functions	20% of system safety functions automated in	Increase percentage of system safety	Data will be available in 1st quarter 2009.



Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
					automated. Number of system safety requirements defined.	2004.	functions automated by 10% in 2008.	
2009	Organizational Excellence	Customer Results	Customer Benefit	Customer Impact or Burden	Each FAA organization will contribute at least one cost reduction activity each year to its Business Plan with measurable, significant cost savings. Cost of aviation safety inspections to taxpayer.	Annual cost of non-system-safety-based aviation safety inspections to the taxpayer in 2003 was \$269,650,723.	Control the annual cost of aviation safety inspections in 2009 at or below \$270,000,000 by incrementally replacing them with more efficient system safety audits.	Data will be available in 1st quarter 2010.
2009	Safety	Mission and Business Results	Transportation	Air Transportation	FAA Strategic Goal #1: Increased Safety. FAA Objective #1: Reduce commercial aviation fatal accident rate. FAA Objective #2: Reduce the number of fatal accidents in general aviation.	The 3-year rolling average of the annual commercial aviation fatal accident rate in 1994-1996 was 0.050 per 100,000 departures. The 3-year rolling average of general aviation and air taxi accidents per year during period 1994-1996 was 385.	Reduce the 3-year rolling average annual commercial aviation fatal accident rate by 0.010 in 2009. Reduce rolling 3-year average of fatal general aviation accidents per year by 4% in 2009.	Data will be available in 2nd quarter 2010.
2009	Organizational Excellence	Processes and Activities	Cycle Time and Resource Time	Cycle Time	Cycle Time (i.e. average time to conduct an aviation system safety audit).	Average time to conduct a typical CASS (maintenance system) aviation safety audit for a major carrier in 2003 was 688 manhours.	Reduce the average time to conduct a typical system safety audit by 5% in 2009 by sharing selected safety data collection responsibilities to industry.	Data will be available in 1st quarter 2010.
2009	Safety	Processes and Activities	Management and Innovation	Innovation and Improvement	Percentage of oversight processes reengineered to incorporate system safety.	Percentage of oversight processes were reengineered to incorporate system safety was 0% during the period 1994-1996.	Increase the percentage of oversight processes that incorporate system safety by 10% in 2009.	Data will be available in 1st quarter 2010.
2009	Safety	Processes and Activities	Productivity and Efficiency	Efficiency	Productivity (i.e. number of National Program Guidelines based aviation safety inspections).	Number of National Program Guidelines based aviation safety inspections in 2003 was 285,120.	Decrease the average number of non-system-safety-based aviation safety inspections in 2009 by 5% by incrementally replacing them with more efficient system safety audits.	Data will be available in 2nd quarter 2010.
2009	Safety	Technology	Efficiency	Interoperability	Percentage of aviation safety data shared between FAA and the aviation industry.	Less than 10% of air carriers voluntarily shared aviation safety data with the FAA in 2004.	Increase the percentage of aviation safety data shared between FAA and the aviation industry by 10% in 2009.	Data will be available in 1st quarter 2010.
2009	Safety	Technology	Quality	Functionality	Percentage of system safety functions automated. Number of system safety	20% of system safety functions were automated in 2004.	Increase percentage of system safety functions automated by 10% in 2009.	Data will be available in 1st quarter 2010.

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
					requirements defined.			
2010	Organizational Excellence	Customer Results	Customer Benefit	Customer Impact or Burden	Each FAA organization will contribute at least one cost reduction activity each year to its Business Plan with measurable, significant cost savings. Cost of aviation safety inspections to taxpayer.	Annual cost of non-system-safety-based aviation safety inspections to the taxpayer in 2003 was \$269,650,723.	Control the annual cost of aviation safety inspections in 2010 at or below \$270,000,000 by incrementally replacing them with more efficient system safety audits.	Data will be available in 1st quarter 2011.
2010	Safety	Mission and Business Results	Transportation	Air Transportation	FAA Strategic Goal #1: Increased Safety. FAA Objective #1: Reduce commercial aviation fatal accident rate. FAA Objective #2: Reduce the number of fatal accidents in general aviation.	The 3-year rolling average of the annual commercial aviation fatal accident rate in 1994-1996 was 0.050 per 100,000 departures. The 3-year rolling average of general aviation and air taxi accidents per year during period 1994-1996 was 385.	Reduce the 3-year rolling average annual commercial aviation fatal accident rate by 0.010 in 2010. Reduce rolling 3-year average of fatal general aviation accidents per year by 4% in 2010.	Data will be available in 2nd quarter 2011.
2010	Organizational Excellence	Processes and Activities	Cycle Time and Resource Time	Cycle Time	Cycle Time (i.e. average time to conduct an aviation system safety audit).	Average time to conduct a typical CASS (maintenance system) aviation safety audit for a major carrier in 2003 was 688 manhours.	Reduce the average time to conduct a typical system safety audit by 5% in 2010 by sharing selected safety data collection responsibilities to industry.	Data will be available in 1st quarter 2011.
2010	Safety	Processes and Activities	Management and Innovation	Innovation and Improvement	Percentage of oversight processes reengineered to incorporate system safety.	Percentage of oversight processes were reengineered to incorporate system safety was 0% during the period 1994-1996.	Increase the percentage of oversight processes that incorporate system safety by 10% in 2010.	Data will be available in 1st quarter 2011.
2010	Safety	Processes and Activities	Productivity and Efficiency	Efficiency	Productivity (i.e. number of National Program Guidelines based aviation safety inspections).	Number of National Program Guidelines based aviation safety inspections in 2003 was 285,120.	Decrease the average number of non-system-safety-based aviation safety inspections in 2010 by 5% by incrementally replacing them with more efficient system safety audits.	Data will be available in 2nd quarter 2011.
2010	Safety	Technology	Efficiency	Interoperability	Percentage of aviation safety data shared between FAA and the aviation industry.	Less than 10% of air carriers voluntarily shared aviation safety data with the FAA in 2004.	Increase the percentage of aviation safety data shared between FAA and the aviation industry by 10% in 2010.	Data will be available in 1st quarter 2011.
2010	Safety	Technology	Quality	Functionality	Percentage of system safety functions automated. Number of system safety requirements defined.	20% of system safety functions were automated in 2004.	Increase percentage of system safety functions automated by 10% in 2010.	Data will be available in 1st quarter 2011.
2011	Organizational	Customer	Customer	Customer	Each FAA	Annual cost of	Control the	Data will be

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
	Excellence	Results	Benefit	Impact or Burden	organization will contribute at least one cost reduction activity each year to its Business Plan with measurable, significant cost savings. Cost of aviation safety inspections to taxpayer.	non-system-safety-based aviation safety inspections to the taxpayer in 2003 was \$269,650,723.	annual cost of aviation safety inspections in 2011 at or below \$270,000,000 by incrementally replacing them with more efficient system safety audits.	available in 1st quarter 2012.
2011	Safety	Mission and Business Results	Transportation	Air Transportation	FAA Strategic Goal #1: Increased Safety. FAA Objective #1: Reduce commercial aviation fatal accident rate. FAA Objective #2: Reduce the number of fatal accidents in general aviation.	The 3-year rolling average of the annual commercial aviation fatal accident rate in 1994-1996 was 0.050 per 100,000 departures. The 3-year rolling average of general aviation and air taxi accidents per year during period 1994-1996 was 385.	Reduce the 3-year rolling average annual commercial aviation fatal accident rate by 0.010 in 2011. Reduce rolling 3-year average of fatal general aviation accidents per year by 4% in 2011.	Data will be available in 2nd quarter 2012.
2011	Organizational Excellence	Processes and Activities	Cycle Time and Resource Time	Cycle Time	Cycle Time (i.e. average time to conduct an aviation system safety audit).	Average time to conduct a typical CASS (maintenance system) aviation safety audit for a major carrier in 2003 was 688 manhours.	Reduce the average time to conduct a typical system safety audit by 5% in 2011 by sharing selected safety data collection responsibilities to industry.	Data will be available in 1st quarter 2012.
2011	Safety	Processes and Activities	Management and Innovation	Innovation and Improvement	Percentage of oversight processes reengineered to incorporate system safety.	Percentage of oversight processes were reengineered to incorporate system safety was 0% during the period 1994-1996.	Increase the percentage of oversight processes that incorporate system safety by 10% in 2011.	Data will be available in 1st quarter 2012.
2011	Safety	Processes and Activities	Productivity and Efficiency	Efficiency	Productivity (i.e. number of National Program Guidelines based aviation safety inspections).	Number of National Program Guidelines based aviation safety inspections in 2003 was 285,120.	Decrease the average number of non-system-safety-based aviation safety inspections in 2011 by 5% by incrementally replacing them with more efficient system safety audits.	Data will be available in 2nd quarter 2012.
2011	Safety	Technology	Efficiency	Interoperability	Percentage of aviation safety data shared between FAA and the aviation industry.	Less than 10% of air carriers voluntarily shared aviation safety data with the FAA in 2004.	Increase the percentage of aviation safety data shared between FAA and the aviation industry by 10% in 2011.	Data will be available in 1st quarter 2012.
2011	Safety	Technology	Quality	Functionality	Percentage of system safety functions automated. Number of system safety requirements defined.	20% of system safety functions were automated in 2004.	Increase percentage of system safety functions automated by 10% in 2011.	Data will be available in 1st quarter 2012.
2012	Organizational Excellence	Customer Results	Customer Benefit	Customer Impact or Burden	Each FAA organization will contribute at least one cost	Annual cost of non-system-safety-based aviation safety	Control the annual cost of aviation safety inspections in	Data will be available in 1st quarter 2013.

Performance Information Table								
Fiscal Year	Strategic Goal(s) Supported	Measurement Area	Measurement Category	Measurement Grouping	Measurement Indicator	Baseline	Target	Actual Results
					reduction activity each year to its Business Plan with measurable, significant cost savings. Cost of aviation safety inspections to taxpayer.	inspections to the taxpayer in 2003 was \$269,650,723.	2012 at or below \$270,000,000 by incrementally replacing them with more efficient system safety audits.	
2012	Safety	Mission and Business Results	Transportation	Air Transportation	FAA Strategic Goal #1: Increased Safety. FAA Objective #1: Reduce commercial aviation fatal accident rate. FAA Objective #2: Reduce the number of fatal accidents in general aviation.	The 3-year rolling average of the annual commercial aviation fatal accident rate in 1994-1996 was 0.050 per 100,000 departures. The 3-year rolling average of general aviation and air taxi accidents per year during period 1994-1996 was 385.	Reduce the 3-year rolling average annual commercial aviation fatal accident rate by 0.010 in 2012. Reduce rolling 3-year average of fatal general aviation accidents per year by 4% in 2012.	Data will be available in 2nd quarter 2013.
2012	Organizational Excellence	Processes and Activities	Cycle Time and Resource Time	Cycle Time	Cycle Time (i.e. average time to conduct an aviation system safety audit).	Average time to conduct a typical CASS (maintenance system) aviation safety audit for a major carrier in 2003 was 688 manhours.	Reduce the average time to conduct a typical system safety audit by 5% in 2012 by sharing selected safety data collection responsibilities to industry.	Data will be available in 1st quarter 2013.
2012	Safety	Processes and Activities	Management and Innovation	Innovation and Improvement	Percentage of oversight processes reengineered to incorporate system safety.	Percentage of oversight processes were reengineered to incorporate system safety was 0% during the period 1994-1996.	Increase the percentage of oversight processes that incorporate system safety by 10% in 2012.	Data will be available in 1st quarter 2013.
2012	Safety	Processes and Activities	Productivity and Efficiency	Efficiency	Productivity (i.e. number of National Program Guidelines based aviation safety inspections).	Number of National Program Guidelines based aviation safety inspections in 2003 was 285,120.	Decrease the average number of non-system-safety-based aviation safety inspections in 2012 by 5% by incrementally replacing them with more efficient system safety audits.	Data will be available in 2nd quarter 2013.
2012	Safety	Technology	Efficiency	Interoperability	Percentage of aviation safety data shared between FAA and the aviation industry.	Less than 10% of air carriers voluntarily shared aviation safety data with the FAA in 2004.	Increase the percentage of aviation safety data shared between FAA and the aviation industry by 10% in 2012.	Data will be available in 1st quarter 2013.
2012	Safety	Technology	Quality	Functionality	Percentage of system safety functions automated. Number of system safety requirements defined.	20% of system safety functions were automated in 2004.	Increase percentage of system safety functions automated by 10% in 2012.	Data will be available in 1st quarter 2013.

**Section E: Security and Privacy (IT Capital Assets only)**

In order to successfully address this area of the business case, each question below must be answered at the system/application level, not at a program or agency level. Systems supporting this investment on the planning and operational

Exhibit 300: FAAXX612: System Approach for Safety Oversight (SASO/AVS), Incorporates: FAAXX161; FAAXX166; FAAXX270; FAAXX277; FAAXX278; FAAXX280; FAAXX416; FAAXX418; FAAXX420; and FAAXX444 Redacted 1-25-2008

systems security tables should match the systems on the privacy table below. Systems on the Operational Security Table must be included on your agency FISMA system inventory and should be easily referenced in the inventory (i.e., should use the same name or identifier).

For existing Mixed-Life Cycle investments where enhancement, development, and/or modernization is planned, include the investment in both the "Systems in Planning" table (Table 3) and the "Operational Systems" table (Table 4). Systems which are already operational, but have enhancement, development, and/or modernization activity, should be included in both Table 3 and Table 4. Table 3 should reflect the planned date for the system changes to be complete and operational, and the planned date for the associated C&A update. Table 4 should reflect the current status of the requirements listed. In this context, information contained within Table 3 should characterize what updates to testing and documentation will occur before implementing the enhancements; and Table 4 should characterize the current state of the materials associated with the existing system.

All systems listed in the two security tables should be identified in the privacy table. The list of systems in the "Name of System" column of the privacy table (Table 8) should match the systems listed in columns titled "Name of System" in the security tables (Tables 3 and 4). For the Privacy table, it is possible that there may not be a one-to-one ratio between the list of systems and the related privacy documents. For example, one PIA could cover multiple systems. If this is the case, a working link to the PIA may be listed in column (d) of the privacy table more than once (for each system covered by the PIA).

The questions asking whether there is a PIA which covers the system and whether a SORN is required for the system are discrete from the narrative fields. The narrative column provides an opportunity for free text explanation why a working link is not provided. For example, a SORN may be required for the system, but the system is not yet operational. In this circumstance, answer "yes" for column (e) and in the narrative in column (f), explain that because the system is not operational the SORN is not yet required to be published.

Please respond to the questions below and verify the system owner took the following actions:

1. Have the IT security costs for the system(s) been identified and integrated into the overall costs of the investment:
  - a. If "yes," provide the "Percentage IT Security" for the budget year: 2.89
2. Is identifying and assessing security and privacy risks a part of the overall risk management effort for each system supporting or part of this investment.

3. Systems in Planning and Undergoing Enhancement(s), Development, and/or Modernization - Security Table(s):			
Name of System	Agency/ or Contractor Operated System?	Planned Operational Date	Date of Planned C&A update (for existing mixed life cycle systems) or Planned Completion Date (for new systems)
Redacted			

4. Operational Systems - Security Table:							
Name of System	Agency/ or Contractor Operated System?	NIST FIPS 199 Risk Impact level (High, Moderate, Low)	Has C&A been Completed, using NIST 800-37? (Y/N)	Date Completed: C&A	What standards were used for the Security Controls tests? (FIPS 200/NIST 800-53, Other, N/A)	Date Complete(d): Security Control Testing	Date the contingency plan tested
Redacted							

5. Have any weaknesses, not yet remediated, related to any of the systems part of or supporting this investment been identified by the agency or IG?
  - a. If "yes," have those weaknesses been incorporated into the agency's plan of action and milestone process?
6. Indicate whether an increase in IT security funding is requested to remediate IT security weaknesses?
  - a. If "yes," specify the amount, provide a general description of the weakness, and explain how the funding request will remediate the weakness.
7. How are contractor security procedures monitored, verified, and validated by the agency for the contractor systems above?

8. Planning & Operational Systems - Privacy Table:					
(a) Name of System	(b) Is this a new system? (Y/N)	(c) Is there at least one Privacy Impact Assessment (PIA) which covers this system? (Y/N)	(d) Internet Link or Explanation	(e) Is a System of Records Notice (SORN) required for this system? (Y/N)	(f) Internet Link or Explanation

8. Planning & Operational Systems - Privacy Table:					
(a) Name of System	(b) Is this a new system? (Y/N)	(c) Is there at least one Privacy Impact Assessment (PIA) which covers this system? (Y/N)	(d) Internet Link or Explanation	(e) Is a System of Records Notice (SORN) required for this system? (Y/N)	(f) Internet Link or Explanation
System Approach for Safety Oversight (SASO)	Yes	Yes	<a href="http://www.dot.gov/pia/faa_saso.htm">www.dot.gov/pia/faa_saso.htm</a>	Yes	<a href="http://www.dot.gov/privacy/privacynotices/faa.htm">http://www.dot.gov/privacy/privacynotices/faa.htm</a>
<b>Details for Text Options:</b>					
Column (d): If yes to (c), provide the link(s) to the publicly posted PIA(s) with which this system is associated. If no to (c), provide an explanation why the PIA has not been publicly posted or why the PIA has not been conducted.					
Column (f): If yes to (e), provide the link(s) to where the current and up to date SORN(s) is published in the federal register. If no to (e), provide an explanation why the SORN has not been published or why there isn't a current and up to date SORN.					
Note: Working links must be provided to specific documents not general privacy websites. Non-working links will be considered as a blank field.					

### Section F: Enterprise Architecture (EA) (IT Capital Assets only)

In order to successfully address this area of the capital asset plan and business case, the investment must be included in the agency's EA and Capital Planning and Investment Control (CPIC) process and mapped to and supporting the FEA. The business case must demonstrate the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture? Yes
  - a. If "no," please explain why?
  
2. Is this investment included in the agency's EA Transition Strategy? Yes
  - a. If "yes," provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment. SASO - System Approach for Safety Oversight
  - b. If "no," please explain why?
  
3. Is this investment identified in a completed (contains a target architecture) and approved segment architecture? Yes
  - a. If "yes," provide the name of the segment architecture as Aviation Safety provided in the agency's most recent annual EA Assessment.

4. Service Component Reference Model (SRM) Table:								
Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <a href="http://www.egov.gov">http://www.egov.gov</a> .								
Agency Component Name	Agency Component Description	FEA SRM Service Domain	FEA SRM Service Type	FEA SRM Component (a)	Service Component Reused Name (b)	Service Component Reused UPI (b)	Internal or External Reuse? (c)	BY Funding Percentage (d)
Decision Support and Planning	Support the analysis of information and predict the impact of decisions before they are made.	Business Analytical Services	Business Intelligence	Decision Support and Planning			No Reuse	10
Business Rule Management	Manage the enterprise processes that support an organization and its policies.	Business Management Services	Management of Processes	Business Rule Management			No Reuse	20
Requirements Management	Gather, analyze and fulfill the needs and prerequisites of an organizations efforts.	Business Management Services	Management of Processes	Requirements Management			No Reuse	40
Risk Management	Support the identification and probabilities or chances of hazards as they relate to a task, decision or long-term goal;	Business Management Services	Management of Processes	Risk Management			No Reuse	20

**4. Service Component Reference Model (SRM) Table:**  
 Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.egov.gov>.

Agency Component Name	Agency Component Description	FEA SRM Service Domain	FEA SRM Service Type	FEA SRM Component (a)	Service Component Reused Name (b)	Service Component Reused UPI (b)	Internal or External Reuse? (c)	BY Funding Percentage (d)
	includes risk assessment and risk mitigation.							
Customer Feedback	Is used to collect, analyze and handle comments and feedback from an organizations customers.	Customer Services	Customer Relationship Management	Customer Feedback			No Reuse	10

a. Use existing SRM Components or identify as "NEW". A "NEW" component is one not already identified as a service component in the FEA SRM.

b. A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

c. 'Internal' reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. 'External' reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

d. Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the percentage of the BY requested funding amount transferred to another agency to pay for the service. The percentages in the column can, but are not required to, add up to 100%.

**5. Technical Reference Model (TRM) Table:**  
 To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component (a)	FEA TRM Service Area	FEA TRM Service Category	FEA TRM Service Standard	Service Specification (b) (i.e., vendor and product name)
Decision Support and Planning	Component Framework	Data Management	Reporting and Analysis	Redacted
Requirements Management	Component Framework	Data Management	Reporting and Analysis	Redacted
Decision Support and Planning	Service Access and Delivery	Access Channels	Collaboration / Communications	Redacted
Customer Feedback	Service Access and Delivery	Access Channels	Collaboration / Communications	Redacted
Decision Support and Planning	Service Access and Delivery	Delivery Channels	Intranet	Redacted
Risk Management	Service Access and Delivery	Delivery Channels	Intranet	Redacted
Business Rule Management	Service Access and Delivery	Delivery Channels	Intranet	Redacted
Requirements Management	Service Access and Delivery	Delivery Channels	Intranet	Redacted
Decision Support and Planning	Service Platform and Infrastructure	Support Platforms	Wireless / Mobile	Redacted

a. Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications

b. In the Service Specification field, agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

6. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)? No

a. If "yes," please describe.

**Exhibit 300: Part II: Planning, Acquisition and Performance Information**

**Section A: Alternatives Analysis (All Capital Assets)**

Part II should be completed only for investments identified as "Planning" or "Full Acquisition," or "Mixed Life-Cycle" investments in response to Question 6 in Part I, Section A above.

In selecting the best capital asset, you should identify and consider at least three viable alternatives, in addition to the current baseline, i.e., the status quo. Use OMB Circular A-94 for all investments and the Clinger Cohen Act of 1996 for IT investments to determine the criteria you should use in your Benefit/Cost Analysis.

- 1. Did you conduct an alternatives analysis for this project?      Yes
  - a. If "yes," provide the date the analysis was completed?      6/1/2007
  - b. If "no," what is the anticipated date this analysis will be completed?
  - c. If no analysis is planned, please briefly explain why:

2. Alternative Analysis Results:			* Costs in millions
Use the results of your alternatives analysis to complete the following table:			
Alternative Analyzed	Description of Alternative	Risk Adjusted Lifecycle Costs estimate	Risk Adjusted Lifecycle Benefits estimate
Redacted			

3. Which alternative was selected by the Agency's Executive/Investment Committee and why was it chosen?

Redacted

4. What specific qualitative benefits will be realized?

Redacted

5. Will the selected alternative replace a legacy system in-part or in-whole?      No

a. If "yes," are the migration costs associated with the migration to the selected alternative included in this investment, the legacy investment, or in a separate migration investment.

b. If "yes," please provide the following information:

List of Legacy Investment or Systems		
Name of the Legacy Investment of Systems	UPI if available	Date of the System Retirement

**Section B: Risk Management (All Capital Assets)**

You should have performed a risk assessment during the early planning and initial concept phase of this investment's life-cycle, developed a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

- 1. Does the investment have a Risk Management Plan?      Yes
  - a. If "yes," what is the date of the plan?      7/1/2006
  - b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?      Yes
  - c. If "yes," describe any significant changes:

The Program Management Office (PMO) maintains a Risk Register separately from the master Risk Management Plan, based on the FAA System Engineering Manual, section 4.10 (Risk Management). The Risk Register is reviewed and updated quarterly; it currently contains 27 active risks categorized by the 13 OMB categories, WBS item, and cost account. It was last reviewed in June 2007. Any SASO extended team member can submit risks for consideration to the Risk Management Group. The group assesses individual risks, identifies cause and consequence, develops mitigation plans, and assigns risk owners who continuously monitor and control response activities, and report on status. Since last year's business case submission, the program has retired a risk related to its first pilot project, having to do with the establishment of policy for the reengineered ATOS business process. The new business process has now been deployed and is currently being tested at four key sites. As of 6/14/07, the key risks for SASO, including two new risks identified since the BY08 submission, were:



Exhibit 300: FAAXX612: System Approach for Safety Oversight (SASO/AVS), Incorporates: FAAXX161; FAAXX166; FAAXX270; FAAXX277; FAAXX278; FAAXX280; FAAXX416; FAAXX418; FAAXX420; and FAAXX444 Redacted 1-25-2008

RISK: Even though the overall funding for SASO may be approved, the actual receipt of funds may be variable. STATUS: Reduced to medium. SASO received full FY07 funding, but the delay in funding caused some tasks and deliverables to slip into FY08.

RISK: The training delivered to AFS personnel may be inadequate. STATUS: Reduced to medium. ATOS training courses and delivery methods have been revised, and Subject Matter Experts have been involved in providing training course content and delivery of training courses.

RISK: It may be difficult to get timely contract support for critical SASO receivables or deliverables. MITIGATION: Consider longer lead times for getting contracts on board - it can take a year sometimes - and establish milestones so that program office can tell where it is in the process, and recognize if this risk is likely to be triggered. STATUS: High. Risk has been realized with the expiration of the BPR and CM contracts without new contracts in place. Support for BPR and CM efforts has seen a drop. A risk identified in the PART review of possible shortages in operational funding is being addressed by dividing the program into phases. Operational funding is not used in the current phase: OMB useful segment 2 (Engineering). Operational costs for OMB useful segment 3 (Implementation) will be baselined following completion and evaluation of BPR results in the current phase.

2. If there currently is no plan, will a plan be developed?

- a. If "yes," what is the planned completion date?
- b. If "no," what is the strategy for managing the risks?

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

The investment schedule for useful segment 2 submitted to FAA JRC was risk adjusted to include additional work items to mitigate risk, thereby extending the duration of the BPR task by 65%, Change Management by 30%, and System Alignment by 96%. The risk-adjusted schedules for BPR, Change Management, and Systems Alignment were validated by comparing them to contractor proposals for accomplishing the work.

Risk adjustment now accounts for 13% of program budget. The three control accounts most impacted are: Manage Change (part 121), Program Planning, and Prepare for Change (part 145).

If risks are realized, the SASO PMO considers the cost, schedule and scope impact to the current phase and follow-on phases, and may reduce the scope of the affected work items or release funds from its management reserve. The reserve for BY09 is 10% of the value of all contract tasks listed in section I.C (Acquisition Contract Strategy). Contractors are required by the PMO to hold 10% of obligations in reserve, and they may only release this funding internally within the contract, with the approval of the PMO.

Management reserve funds will only be released in response to risks that have occurred and are recorded by the PMO in the master EVM spreadsheet change control log. The log records the name of the contractor, the amount authorized, the WBS number, and the control account. If applicable, the log also records the risk number from the risk register that the funds were applied to. Not all risks are foreseen however, and funds may be released for unforeseen risks if the PMO deems it necessary and justified. Any unforeseen risks will be entered into the risk register, and will be managed and controlled in a manner similar to all other register items.

### **Section C: Cost and Schedule Performance (All Capital Assets)**

EVM is required only on DME portions of investments. For mixed lifecycle investments, O&M milestones should still be included in the table (Comparison of Initial Baseline and Current Approved Baseline). This table should accurately reflect the milestones in the initial baseline, as well as milestones in the current baseline.

1. Does the earned value management system meet the criteria in ANSI/EIA Standard-748? Yes
2. Is the CV% or SV% greater than +/- 10%? (CV%= CV/EV x 100; SV%= SV/PV x 100) Yes
  - a. If "yes," was it the CV or SV or both? CV
  - b. If "yes," explain the causes of the variance:

The positive cost variance is a result of cost saving in a number of the FY-06 & 07 tasks, most of it coming from savings in the program management, human factors support, and IV&V support areas. The program manager watched every task very closely and constantly adjusted the work being accomplished to save funding where ever he could and still accomplish the task. The positive cost variance was a conscious and deliberate decision by the SASO Program Manager, to ensure that the first of the year Continuing Resolutions (CR's) would not have a negative impact on the program in FY08.

- c. If "yes," describe the corrective actions:

The anticipated funding reductions for FY-08 and FY-09, should make a large reduction in the current cost variance. In the mean time the cost variance is functioning as a risk reserve, which is directly controlled by the SASO Program Manager.

3. Has the investment re-baselined during the past fiscal year? No
  - a. If "yes," when was it approved by the agency head?

4. Comparison of Initial Baseline and Current Approved Baseline

Complete the following table to compare actual performance against the current performance baseline and to the initial performance baseline. In the Current Baseline section, for all milestones listed, you should provide both the baseline and actual completion dates (e.g., "03/23/2003"/ "04/28/2004") and the baseline and actual total costs (in \$ Millions). In the event that a milestone is not found in both the initial and current baseline, leave the associated cells blank. Note that the 'Description of Milestone' and 'Percent Complete' fields are required. Indicate '0' for any milestone no longer active.

Milestone Number	Description of Milestone	Initial Baseline		Current Baseline				Current Baseline Variance		Percent Complete
		Planned Completion Date (mm/dd/yyyy)	Total Cost (\$M) Estimated	Completion Date (mm/dd/yyyy)		Total Cost (\$M)		Schedule (# days)	Cost (\$M)	
				Planned	Actual	Planned	Actual			
Redacted										