




# Memorandum

U.S. Department of  
Transportation

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –  
FAA’s Approval and Oversight Processes for Civil  
Unmanned Aircraft Systems  
Federal Aviation Administration  
Project No. 15A3009A000

Date: August 20, 2015

From: Matthew E. Hampton   
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for Aviation Audits

Reply to  
Attn. of: JA-10

To: Director, Audit and Evaluation

Unmanned Aircraft Systems (UAS) technology is rapidly advancing, with a vast array of potential commercial applications, such as filmmaking, precision agriculture, and package delivery. Some analysts have predicted that as much as \$91 billion will be invested in UAS technology worldwide over the next decade. However, until recently, the Federal Aviation Administration (FAA) has prohibited commercial UAS operations with very limited exceptions due to the lack of regulations governing their use.

Recognizing the need to address the growing demand for commercial UAS operations, Congress granted FAA the authority in the FAA Modernization and Reform Act of 2012 to determine whether some UAS could operate prior to the establishment of regulations without an airworthiness certificate. Since September 2014, FAA has approved over 1,200 commercial UAS to operate by exempting them from certification requirements.

In addition, as we reported in June 2014,<sup>1</sup> UAS operations present new safety oversight challenges for FAA. The Agency is averaging over 60 UAS-related incident reports per month. Some of the incidents did not pose a safety risk but others have involved reports of pilots altering course to avoid unmanned aircraft.

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<sup>1</sup> *FAA Faces Significant Barriers To Safely Integrate Unmanned Aircraft Systems into the National Airspace System* (OIG Report No. AV-2014-061), June 26, 2014. OIG reports are available on our Web site at <http://www.oig.dot.gov/>.

Given the significant and complex challenges of safely integrating UAS into the National Airspace System and the increasing number of UAS operations, we are initiating an audit of FAA's current processes for approving civil UAS operations and overseeing the safe operation of UAS. The objectives of this audit will be to assess: (1) FAA's process for exempting civil UAS from certification requirements, and (2) FAA's safety oversight process for civil UAS operations.

We plan to begin the audit this month and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FAA Headquarters, field offices, and UAS civil operator sites across the country. If you have any questions, please contact me at 202-366-0500 or Robin Koch, Program Director, at 404-562-3770.

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cc: FAA Audit Liaison, AAE-100  
DOT Audit Liaison, M-1