



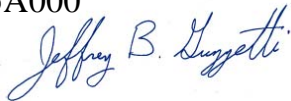
# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –  
Review of Underlying Causes for FAA’s Limited  
NextGen Progress  
Federal Aviation Administration  
Project No. 12A3005A000

Date: July 19, 2012

From: Jeffrey B. Guzzetti   
Assistant Inspector General  
for Aviation and Special Program Audits

Reply to JA-10  
Attn. of:

To: Director, Audit and Evaluation

The National Airspace System (NAS) handles almost 50,000 flights per day and more than 700 million passengers per year. To reduce congestion and meet the anticipated demand for air travel, the Federal Aviation Administration (FAA) is developing the Next Generation Air Transportation System (NextGen)—a multibillion-dollar program that is expected to fundamentally change how air traffic is managed. FAA is requesting over \$1 billion for NextGen in its fiscal year 2013 budget. Longstanding problems with cost increases, schedule slips, and performance shortfalls with NextGen initiatives have prompted us to identify the development and execution of NextGen as one of the Department’s top management challenges.

While FAA is taking steps to improve the management of NextGen, such as establishing a new program management office, overall progress with implementation has not met expectations. Concerned about FAA’s lack of progress, the Chairmen and Ranking Members of the House Transportation and Infrastructure Committee and Subcommittee on Aviation requested that we update our June 2010 report<sup>1</sup> with respect to FAA’s progress in making key NextGen decisions<sup>2</sup> and examine the root causes of delays and problems in implementing new capabilities.

<sup>1</sup> OIG Report No. AV-2010-068, “Timely Actions Needed To Advance the Next Generation Air Transportation System,” June 16, 2010. OIG reports are available on our Web site at: <http://www.oig.dot.gov/>.

<sup>2</sup> In June 2010, we reported that FAA had not met a number of key decision points identified in the NAS enterprise architecture, which includes “road maps” with milestones for achieving automation, communication, navigation, aircraft, and surveillance planned with NextGen.

Accordingly, our audit objectives are to (1) assess FAA's progress with meeting key milestones for achieving NextGen capabilities, (2) examine possible underlying causes for FAA's limited progress with advancing NextGen overall, and (3) review FAA's recent reorganization and other efforts to improve the management and execution of NextGen initiatives.

We plan to begin this audit in late July at FAA offices responsible for NextGen planning and implementation. We will contact your audit liaison to schedule an entrance conference. If you have any questions or need additional information, please contact Barry DeWeese, Program Director, at (415) 744-0420 or Lillian Slodkowski, Project Manager, at (202) 366-1502.

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cc: FAA Deputy Administrator  
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