



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Office of Inspector General

Subject: INFORMATION: Notification of Audit of Federal  
Aviation Administration's Terminal Automation  
Modernization Program

Date: December 2, 2002

From: David A. Dobbs  
Assistant Inspector General  
for Aviation Audits

Reply to  
Attn of: JA-10

To: Chris Bertram  
Assistant Administrator  
for Financial Services/CFO

The Office of the Inspector General plans to conduct an audit of the Federal Aviation Administration's (FAA) terminal automation modernization program. This program is intended to replace aging automation and display systems at the Nation's terminal air traffic control facilities. Since 1996, FAA has spent more than \$1 billion on terminal modernization. Most of these funds have been spent on developing the Standard Terminal Automation Replacement System (STARS), and much of the remainder on procurement of an interim step, the Common Automated Radar Terminal System (Common ARTS). While FAA is completing STARS development and sustaining Common ARTS, the agency plans to acquire 74 STARS through 2005. In the spring of 2003, FAA plans to reevaluate its terminal modernization acquisition strategy for beyond 2005.

Our objective will be to determine if FAA's terminal modernization strategy is reasonable and cost-effective. During this review, we will evaluate FAA's cost and schedule projections for completing modernization, review costs incurred to date for STARS and Common ARTS, and analyze alternatives to meet terminal modernization needs. During the audit, we will visit FAA Headquarters, other FAA sites, and contractor locations as needed.

We will be contacting your office to arrange an entrance conference and plan to begin audit work within the next 2 weeks.

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cc: Federal Aviation Administrator, AOA-1

FAA Chief of Staff, AOA-2  
FAA Audit Liaison, ABU-100  
OST Audit Liaison, M-1