



Memorandum

U.S. Department of
Transportation

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
Status of NextGen Transformational Programs
Federal Aviation Administration
Project No. 14A3008A000

Date: September 22, 2014

From: Matthew E. Hampton
Assistant Inspector General
for Aviation Audits

Reply to
Attn. of: JA-10

To: Director, Audit and Evaluation

The Federal Aviation Administration's (FAA) Next Generation Air Transportation System (NextGen) is a multibillion dollar infrastructure project intended to modernize our Nation's aging air traffic system and provide more efficient air transportation management. To meet these goals, FAA is investing in six transformational programs¹ that are expected to provide the foundational technologies and infrastructure needed for NextGen. These programs will provide new capabilities such as a precise satellite-based surveillance system and digital data link communications for air traffic controllers and pilots. To date, FAA has invested nearly \$3 billion in these programs and is requesting an additional \$488 million for fiscal year 2015.

In April 2012, we reported² that FAA is taking an incremental approach towards implementing the transformational programs to minimize risk in the near term. However, this approach limits visibility into total costs, timelines, and expected benefits. We also found that FAA's progress in implementing the programs has been impacted by a lack of finalized requirements and complex interdependencies with other FAA modernization programs, including integration challenges with automation systems controllers rely on to manage air traffic.

¹The six programs are Automatic Dependent Surveillance-Broadcast, System-Wide Information Management, Data Communications, National Airspace System Voice System, Common Support Services-Weather, and Collaborative Air Traffic Management Technologies.

²*Status of Transformational Programs and Risks to Achieve NextGen Goals* (OIG Report No. AV-2012-094), Apr. 23, 2012. OIG reports are available on our Web site at <http://www.oig.dot.gov>.

Given the importance of these transformational programs to NextGen, the Chairman and Ranking Member of the Senate Committee on Commerce, Science, and Transportation requested that we update our 2012 report. Accordingly, our audit objectives are to identify any (1) formal changes FAA has made to its programs' scope, including costs and schedules, and (2) adjustments in FAA's anticipated benefits with respect to reducing Agency costs and improving the flow of air traffic.

We will conduct our work at FAA Headquarters, field facilities, and other relevant sites. We plan to begin the audit this month, and we will contact your audit liaison to schedule an entrance conference. If you have any questions, please contact me at (202) 366-0500 or Barry DeWeese, Program Director, at (415) 744-0420.

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