Automatic Dependent Surveillance-Broadcast (ADS-B) is a new satellite-based air traffic surveillance system and a key component of the Federal Aviation Administration’s (FAA) plans to transition to the Next Generation Air Transportation System (NextGen). In 2007, FAA awarded a contract to ITT Corporation for $1.8 billion through 2025 to develop and deploy the ADS-B ground infrastructure and start broadcasting services.

In 2010, we reported that FAA faces significant risks in implementing the ADS-B program and realizing benefits due to weaknesses in its contract management and oversight.\(^1\) For example, we found that the ADS-B contract structure bundles and comingles tasks and costs, making it difficult for decisionmakers to manage the contract and track costs. In addition, we recently reported changes to the program cost, including the addition of $162 million for performance incentives for the prime contractor through 2025.\(^2\)

The FAA Modernization and Reform Act of 2012 directed us to review FAA’s oversight of ADS-B-related contracts. Accordingly, we are initiating this audit to (1) determine whether the ADS-B contract provides FAA the ability to monitor whether the contractor is providing required ADS-B products and services and (2) evaluate FAA’s procedures for determining payments to the contractor.


We will conduct our work at FAA Headquarters, the ADS-B prime contractor facility, 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 Kevin Dorsey, Program Director, at (202) 366-1518.

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