



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement -
Review of FAA's Contract Tower Program
Federal Aviation Administration
Project No. 11A3009A000

Date: April 6, 2011

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

Reply to: JA-10
Attn. of:

To: Director, Audit and Evaluation

In 1982, the Federal Aviation Administration (FAA) began a pilot program to contract for air traffic control services at five low-activity, level 1 control towers.¹ In fiscal year 1993, FAA estimated that converting former level 1 towers to contract towers would result in annual savings of about \$200,000 per tower, or about \$20 million annually. Over the years Congress has provided funding for a multi-year program to convert additional FAA-operated low-activity towers to contract operations and institute a cost-sharing program with local communities. Currently, there are 247 contract towers in 46 states operated by 3 contractors.

From 1998 to 2003, our office conducted audits evaluating the Contract Tower Program. We found that the program successfully provided safe, low-cost air traffic services to users and that the quality of those services was comparable to FAA-operated towers. The House Committee on Appropriations, in its report accompanying its Fiscal Year 2011 Department of Transportation, Housing and Urban Development, and Related Agencies bill, also noted that the program was cost effective and performs an important safety function. However, with a commitment to continue Federal funding, the Committee noted the need for another review.

Accordingly, our audit objective is to review the Contract Tower Program to evaluate whether the program continues to have cost effectiveness, safety benefits, and overall value to users. We plan to begin the audit this month at FAA Headquarters and will include site visits to Air Traffic Organization regional service centers and low-activity

¹ Prior to 1998, FAA categorized all towers as levels 1 through 5, with level 1 towers having the lowest number of operations.

contract and FAA towers. We will contact your audit liaison to schedule an entrance conference.

If you have any questions concerning this audit, please contact me at 202-366-0500 or Bob Romich, Program Director, at 202 366-6478.

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cc: FAA Deputy Administrator
Anthony Williams, AAE-001
Martin Gertel, M-1