




U.S. Department of  
Transportation  
Office of Inspector General

# Memorandum

Subject: **INFORMATION:** Audit Announcement –  
FAA’s Approval and Oversight Processes for  
Unmanned Aircraft System Waivers  
Federal Aviation Administration  
Project No. 17A3001A00

Date: April 11, 2017

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Reply to  
Attn. of: JA-10

To: Director, Audit and Evaluation

Unmanned Aircraft Systems (UAS) represent a substantial economic opportunity for the United States. FAA recently forecast that the number of potential annual sales of UAS could nearly double to 4.3 million units by 2020. Since December 2015, FAA has processed almost 800,000 UAS registrations. However, as the number of UAS operations increases, UAS sightings by pilots have also increased significantly, thus presenting safety risks to manned aircraft and the traveling public.

FAA has taken important steps to advance the safe integration of UAS in domestic airspace, including publishing a new rule for small UAS<sup>1</sup> (i.e., systems weighing less than 55 pounds) in June 2016. However, the rule does not permit several potential uses for UAS that are highly valued by industry, such as operating beyond line of sight or at night. To accommodate these and other types of operations, the rule allows operators to apply for waivers from its provisions. According to FAA, since the rule was implemented in August 2016, the Agency has received over 1,000 applications for waivers and granted over 300 of them to UAS operators.

As we reported in December 2016,<sup>2</sup> FAA faced challenges in keeping pace with the increase in UAS exemption requests received before implementing the small UAS rule, resulting in the need for streamlined processes. Similarly, it is important that FAA’s waiver approval process does not result in prolonged delays, especially for operations already considered to be a low safety risk by the Agency. We also reported that FAA provided limited oversight of operators with exemptions and had not yet

<sup>1</sup> 14 CFR Part 107 (June 2016).

<sup>2</sup> *FAA Lacks a Risk-Based Oversight Process for Civil Unmanned Aircraft Systems* (OIG Report No. AV2017018), December 1, 2016. OIG reports are available on our Web site at <http://www.oig.dot.gov/>.

established a risk-based safety oversight process for UAS. It is still unclear what type of oversight FAA will provide for this new technology, as we found that FAA lacks a robust data reporting and tracking system for UAS activity, and aviation safety inspectors received limited training and guidance on UAS oversight.

Given the significant safety implications of integrating UAS into the National Airspace System and the increasing number of both requested and approved UAS waivers, we are initiating an audit of FAA's current approval and oversight processes for UAS waivers. Our audit objectives will be to assess FAA's processes for: (1) granting waivers under the rule for small UAS operations, and (2) conducting risk-based oversight of UAS operators with waivers.

We plan to begin the audit this month and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FAA Headquarters, field offices, and UAS commercial operator sites across the country. If you have any questions, please contact me at 202-366-0500 or Robin Koch, Program Director, at 404-562-3770.

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