The U.S. civil aviation industry is important to the Nation’s economy and encompasses more than 200,000 aircraft, 1,600 approved manufacturers, and 5,400 aircraft operators, among others. Recognizing that it is not possible for Federal Aviation Administration (FAA) employees to oversee every facet of such a large industry, public law allows FAA to delegate certain functions, such as approving new aircraft designs and certifying aircraft components, to private individuals or organizations. Designees perform a substantial amount of critical work on FAA’s behalf. For example, one aircraft manufacturer approved about 90 percent of the design decisions for its own aircraft.

FAA created the Organization Designation Authorization (ODA) program in 2005 to standardize its oversight of organizational designees—organizations that are approved to perform certain functions on its behalf. In June 2011, we reported\(^1\) that FAA needed to improve its oversight of the ODA program, including better monitoring of ODA personnel and training of FAA engineers. Since then, the ODA program has continued to evolve. Currently, there are approximately 80 delegated authorities that approve work for FAA at airlines, aircraft manufacturers, and repair facilities. However, a recent industry report recommended expanding the use of the program to

help FAA manage its workload and keep pace with emerging aviation technologies that require certification.²

In December 2013, Representative Peter DeFazio requested that we review FAA’s staffing and oversight of the ODA program’s delegated organizations. In particular, Representative DeFazio expressed concerns that FAA may not have the resources in place to provide effective oversight of an expanded ODA program. Accordingly, our audit objectives will be to assess FAA’s: (1) process for determining staffing levels needed to conduct ODA oversight, and (2) oversight of delegated organizations’ program controls.

Our audit will include visits to FAA Headquarters and FAA offices that oversee ODA locations, as well as a sample of ODA designee companies. We plan to begin this audit the week of May 25, 2014, and will contact your liaison to schedule an entrance conference. 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: DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100