



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audit Announcement –
Review of FAA’s Response to the NextGen
Advisory Committee’s (NAC) Recommendations
on NextGen Priorities
Federal Aviation Administration
Project No. 14A3004A000

Date: February 27, 2014

From: Jeffrey B. Guzzetti
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 transportation infrastructure project aimed at modernizing our Nation’s aging air traffic system. Since the effort began almost a decade ago, we have reported on key management challenges that FAA must address to successfully transform the National Airspace System. Our work has also identified longstanding challenges, such as FAA’s inability to set realistic plans, budgets, and expectations, and clearly identify benefits for stakeholders.

To address some of those challenges, FAA is working with industry to set investment priorities for NextGen. In July 2013, FAA requested that the NextGen Advisory Committee (NAC)¹ review the Agency’s plans and activities that affect NextGen implementation and recommend investment priorities, citing uncertainty around funding for NextGen projects. In September 2013, the NAC delivered its report prioritizing NextGen activities primarily based on their benefits and implementation readiness, and identifying those activities that should continue regardless of funding levels versus activities that should continue when resources permit.²

¹ The NAC is a Federal advisory committee that develops recommendations for NextGen portfolios with an emphasis on the midterm (through 2020). The NAC includes representation from affected user groups, including operators, manufacturers, air traffic management, aviation safety, airports, and environment experts.

² NAC, *NextGen Prioritization: A Report of the NextGen Advisory Committee in Response to Tasking from the Federal Aviation Administration*, September 2013.

Recognizing the potential of the NAC's report to help shape the future of NextGen investments and improve stakeholder confidence in FAA's ability to implement NextGen, the Chairmen and Ranking Members of the House Committee on Transportation and Infrastructure and its Subcommittee on Aviation requested that we examine FAA's response to the report. Accordingly, our audit objectives are to (1) identify the steps FAA is taking to address the NAC's recommended investment priorities and (2) evaluate FAA's plans for implementation.

We plan to begin our audit the week of March 3, 2014 and 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: DOT Audit Liaison, M-1
FAA Audit Liaison, AAE-100