

Federal Aviation Administration Budget in Brief Fiscal Year 2006

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Overview

The Federal Aviation Administration's (FAA) Fiscal Year 2006 budget is driven by our 5-year plan, *Flight Plan 2005-2009*. The *Flight Plan* contains a series of measurable goals and outcomes that were agreed upon with our industry partners and stakeholders.

We've taken this approach to bring focus and clarity to the agency's budget and how we spend it. There's no question that we must be diligent in terms of our readiness to respond to growing capacity and efficiency trends. We must be equally vigilant in terms of our approaches to safety and security.

Our budget hinges on the services we bring to the flying public:

- ❑ Controlling traffic
- ❑ Inspecting aircraft
- ❑ Certifying aviation professionals
- ❑ Protecting the environment
- ❑ Researching technology
- ❑ Maintaining security
- ❑ Strengthening America's airports
- ❑ Engineering new equipment
- ❑ Solidifying United States leadership of international aviation

To make this happen, we've been careful that requests track to the Government Performance and Results Act. We will direct our resources, take action and evaluate the results to ensure that we're spending what we need to, and only when we must.

The total FAA 2006 request of \$13.78 billion funds focused improvements in safety, and is 0.6 percent less than the FY 2005 budget. About 71 percent of the budget, or \$9.8 billion, will contribute to safety, including further reductions in aviation accidents, deaths, and injuries. Another 22 percent, or \$3.1 billion, will support capacity growth. The remainder of the agency's budget will support international leadership, environmental stewardship, internal security, and the agency's efforts to create a more cost-efficient, world-class organization.

The budget funds 89 percent of agency programs from the Airport and Airway Trust Fund resources derived from excise taxes and interest.

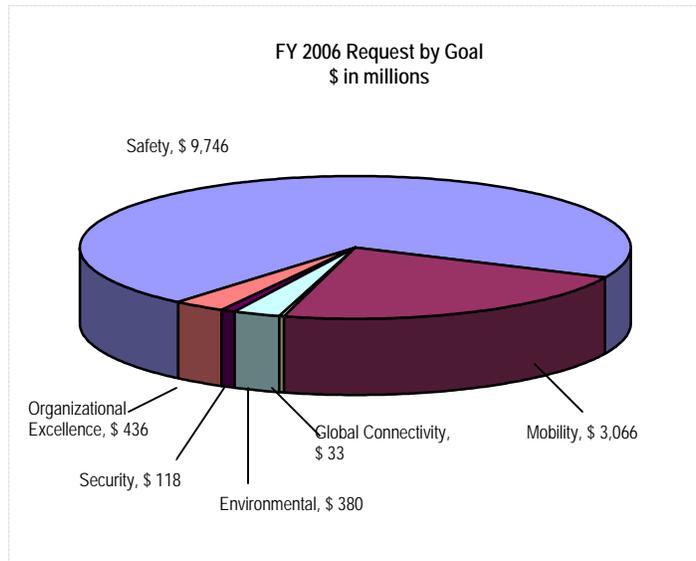


Figure 1

The following tables summarize FAA's FY 2006 request by appropriation, and by goal area:

<u>Accounts</u>	FY 2004 Actual ¹	FY 2005 Enacted ²	FY 2006 Request	Change FY 2005 FY 2006 Request
Operations	\$7,479,206	\$7,706,537	\$8,201,000	\$+ 495,463
(General)	[3,010,206]	[2,827,809]	[1,551,000]	[-1,276,809]
(Trust)	[4,469,000]	[4,878,728]	[6,500,000]	[+ 1,621,727]
(Flight Service Station A-76 Competition)			[150,000]	[+150, 000]
Grants-in-Aid for Airports (TF)				
Contract Authority (Vision 100).....	\$3,400,000	\$3,500,000	\$3,600,000	\$+ 100,000
Contract Authority (49 USC 48112).....	267,128	473,320	605,000	+131,680
Contract Authority permanently reduced	<u>(20,060)</u>	<u>(296,787)</u>	<u>(1,674,000)</u>	<u>(+ 1,377,213)</u>
Contract Authority (Total)	3,647,068	3,676,533	2,531,000	- 1,145,533
Other Budget Authority	\$1,988	\$25,000 ³		- 25,000
(Obligation Limitation—non-add)	\$3,379,940	\$3,472,000	\$3,000,000	\$- 472,000
Facilities and Equipment (TF)	\$2,870,872	\$2,524,780 ⁴	\$2,448,000	\$- 76,780
Unobligated balance rescission	(8,041)			
Research, Engineering and Development (TF)	\$118,734	\$129,880	\$130,000	\$+ 120
TOTAL BUDGET AUTHORITY	\$14,109,827	\$14,062,730	\$13,310,000	\$ -752,730
Mandatory	\$3,647,068	\$3,676,533	\$3,600,000	- 76,544
Discretionary	\$10,462,760	\$10,386,197	\$9,710,000	- 676,197
FAA Appropriations + Ob Lims	\$13,850,741	\$13,858,197	\$13,779,000	\$ -79,197
Grants-in-Aid for Airports:				
Liquidating Cash:	\$3,400,000	\$2,800,000	\$3,300,000	\$+ 500,000
Proprietary Receipts				
Miscellaneous Recoveries and Refunds	\$147	\$275	\$275	0

¹ FY 2004 reflects 0.59% across-the-board rescission per P.L. 108-447.

² FY 2005 reflects 0.80% across-the-board rescission per P.L. 108-447.

³ Hurricane Supplemental funding: \$25M in Grants-in-Aid for Airports per P.L. 108-324.

⁴ Facilities and Equipment includes \$5.1 Hurricane Supplemental funding per P.L. 108-324.

Table 1

FY 2006 President's Budget Request by Goal

	Operations	Facilities & Equipment	Research, Engineering and Development	Airport Improvement Program	Total
Safety	7,698.0	327.6	92.2	1,631.9	9,750.0
Mobility	293.0	1,700.4	21.2	1,046.8	3,061.0
Global Connectivity	29.0	3.6	0	0.4	33.0
Environment	4.7	54.0	16.6	305.1	380.0
Security	44.7	63.2	0	9.6	118.0
Organizational Excellence	131.6	299.1	0	6.2	437.0
Total, FY 2006 Request	8,201.0	2,448.0	130.0	3,000.0	13,779.0

Table 2

HIGHLIGHTS

Operations

The President's FY 2006 budget requests \$8.2 billion for Operations. Of the total, \$8.05 billion is for the base Operations budget and represents a 4.5 percent increase over the FY 2005 budget. The remaining \$150 million would fund transition costs associated with the Flight Service Station A-76 competition. The majority of the requested funding in Operations supports the goal of maintaining and increasing aviation safety (\$7.7 billion); other significant amounts support mobility (\$293 million) and security (\$45 million). Approximately \$166 million is included in the request to promote other goals such as environmental issues, organizational excellence, and global connectivity.

Facilities and Equipment

The President's FY 2006 budget requests \$2.4 billion to further improve and modernize the National Airspace System. The request includes \$327.6 million to support the safety goals to reduce aviation fatalities; \$1.7 billion to support mobility goals to reduce aircraft delays, such as en route and oceanic automation to improve flexibility in flight routes, and infrastructure improvements; \$3.6 million to support global connectivity projects such as the replacement of visual navigational aids; \$54 million for environmental projects, such as replacing fuel tanks at agency facilities, cleaning up hazardous materials, and removing environmental hazards. Also included in the budget request is approximately \$63.2 million to support security goals, including facility risk management, information security, and NAS recovery communications. Approximately \$299.1 million is requested to support organizational excellence goals including telecommunications infrastructure and, workforce training and development.

Research, Engineering and Development

The President's FY 2006 budget requests \$130 million to support aviation safety, mobility, and global connectivity goals.

Grants-in-Aid for Airports

The President's FY 2006 budget requests includes \$3.0 billion for the Grants-in-Aid for Airports account, including grants to eligible airports to enhance capacity, emphasize safety and security needs, and mitigate noise. The budget request includes \$81.3 million for administrative expenses to implement the Airports program. These funds support national programs for airport safety and certification; development of airport equipment specifications and standards; and development of standards for airport design and pavement design/construction.

AIRPORT AND AIRWAY TRUST FUND (AATF)

Section 9502 of Title 26, U.S.C., provides for the receipts received in the Treasury from the passenger ticket tax and certain other taxes paid by airport and airway users to be deposited in the AATF. In turn, appropriations are authorized from this fund to meet the obligations for the following accounts: Airport Improvement Grants, Facilities and Equipment, Research, Engineering and Development, Payment to Air Carriers, and part of Operations. In FY 2004 total tax revenue was \$9.7 billion, \$477 million of interest accrued to the Trust Fund. In FY 2006, revenue is expected to increase to \$11.9 billion, which includes \$450 million in interest revenue.

NEW/EXPANDED INITIATIVES

FAA Flight Service Station A-76 Competition

In December 2003, the FAA announced the intent to conduct a public-private competition in accordance with the Office of Management and Budget (OMB) Circular A-76 for Automated Flight Service Station (AFSS) services. These services are currently provided at 58 locations across the continental United States, as well as Puerto Rico and Hawaii. Within the FY 2006 Operations request, \$150 million is included for transition costs for the agency's Flight Service Station A-76 competition.

Critical Hiring

In FY 2006, we are requesting funding to address our most critical hiring needs, including:

- Hiring 595 air traffic controllers to address the impending wave of retirements, as outlined in "A Plan for the Future: The FAA's 10-Year Strategy for the Air Traffic Workforce";
- Hiring 97 safety inspectors and engineers to strengthen oversight of repair stations, improve aircraft certification, and to establish an FAA office in China; and,
- Hiring 258 maintenance technicians to address an arbitration ruling.

Air Traffic Organization (ATO)

The budget supports continued development of the ATO, which was formed in FY 2004 to improve the delivery of air traffic services by adopting "best business-like" practices.

Safety

Safety comes first. It's the FAA's primary mission, and our efforts are paying off. The commercial fatal accident rate is the lowest in aviation history. Just as aviation supports the nation's economic health, safety is central to aviation's well being. Passengers will fly if they have confidence in the system.

How this happened is no accident. The FAA has and will continue to develop new technologies that will lower the number of accidents, while improving a safety record that is second to none. The FAA will continue to improve safety through its investment in the air traffic control system, which guides aircraft in the world's largest --17 million square miles -- and busiest -- some 200,000 daily operations -- aviation system. FAA will continue to maintain high standards through the certification of aircraft equipment, operators, pilots, and mechanics, through the development and issuance of safety advisories, bulletins, and regulations, as well as through the inspection and oversight of thousands of operators, training schools, and repair stations.

As the stewards of aviation safety in the United States, the FAA and its industry partners have build a system that has reduced the risks of flying to all-time lows. The FAA's resources – financial, human, and physical – have been, and will continue to be focused primarily on safety. The FAA's budget request would preserve existing services and improve performance on the agency's most important strategic objective through a variety of oversight, operational, and research programs.

The FAA *Flight Plan* lays out an aggressive safety agenda. It supports further progress on the following established goals:

- Reduce the commercial fatal accident rate and related goals:
 - Reduce runway incursions
 - Reduce operational errors
- Reduce the number of general aviation fatal accidents
 - Reduce accidents in Alaska
- Prevent accidents from commercial space launch activity

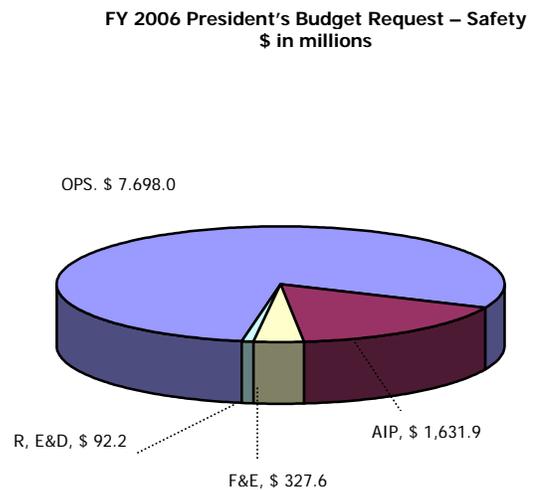


Figure 2

The following is a summary of the Safety request by goal and resources:

**FAA Budget Justification
Safety Summary**

This budget request reflects the FAA's most important strategic objective -- safety. The FAA estimates that \$9.75 billion, or about 71 percent of the agency's budget in FY 2006, will be required to maintain and improve the agency's safety programs. This request seeks \$33 million more for safety programs than the FY 2005 enacted budget.

<u>PERFORMANCE GOALS & MEASURES BY PROGRAM ACTIVITIES</u>	<u>FY 2004 ACTUAL</u>	<u>FY 2005 ENACTED</u>	<u>FY 2006 REQUEST</u>
Safety			
Reduce Commercial Fatal Accident Rate			
Operations	6,310,479	6,498,490	6,888,851
Facilities & Equipment	288,191	189,463	126,547
Research, Engineering & Development	107,547	108,114	92,241
Grants-in-Aid for Airports	569,975	903,702	777,636
Subtotal	7,276,192	7,669,769	7,885,275
FTE	35,992	35,556	35,736
Reduce GA Fatal Accidents			
Operations	759,318	758,329	795,957
Facilities and Equipment	238,689	238,869	201,033
Grants-in-Aid for Airports	368,088	1,003,316	854,306
Subtotal	1,411,095	2,000,514	1,851,296
FTE	5,565	5,477	5,407
Zero Commercial Space Accidents			
Operations	13,019	12,955	13,209
Subtotal	13,019	12,955	13,209
FTE	65	67	67
Safety \$ Total	8,700,306	9,713,239	9,749,780
Safety FTE Total	41,622	41,099	41,209

Mobility

Americans must be able to move efficiently. Mobility, like safety, is more than a priority; it is a necessity. Air travel can only grow if aviation capacity grows as well.

FAA will advance the mobility goal by increasing aviation capacity on the ground at our nation's major airports and by instituting programs, procedures, and technologies to enable more efficient use of airspace.

The single most effective way to add ground capacity is through new runways. The greatest gains can be achieved at the nation's larger airports, which account for two-thirds of all delays. FAA is improving the criteria for assessing the capacity of our larger airports and their ability to meet projected demand. This information, in turn, will be used to target efforts to use pavement, procedures, and technology to add capacity at airports with the greatest need and with the most potential to reduce delays nationwide.

FY 2006 President's Budget Request – Mobility
\$ in millions

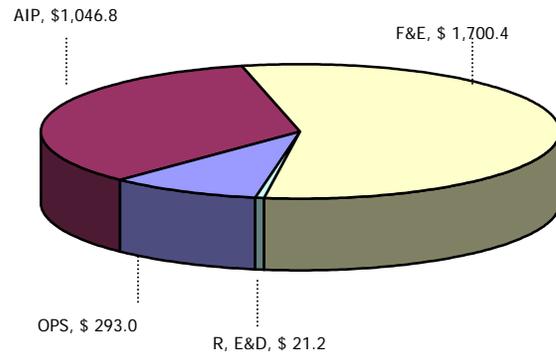


Figure 3

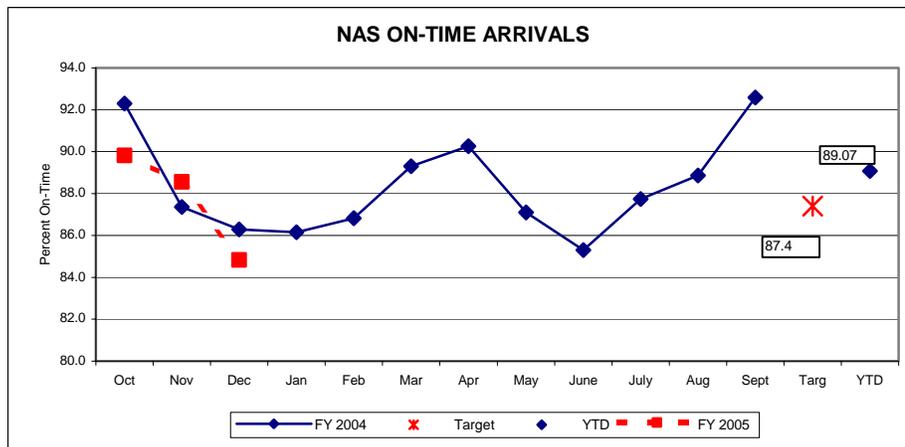


Figure 4

In addition, FAA will implement airspace redesign to reduce congestion in busy high altitude airspace as well as in congested airspace in major metropolitan areas. FAA will also continue to develop and deploy technology that enables aircraft to safely take off and land in adverse weather.

The following is a summary of the Mobility request and the resources of associated with each.

**FAA Budget Justification
Mobility Summary**

The FAA requests \$3.07 billion, or 22 percent of the total FY 2006 request, to implement the OEP by expanding capacity and improving mobility within the Nation's aviation system. The request supports expansion of capacity on the ground, in the form of new runways, and the continued deployment of new technologies that allow more efficient use of existing system capacity.

<u>PERFORMANCE GOALS & MEASURES BY PROGRAM ACTIVITIES</u>	<u>FY 2004 ACTUAL</u>	<u>FY 2005 ENACTED</u>	<u>FY 2006 REQUEST</u>
Mobility			
Operations	207,904	234,959	293,014
Facilities & Equipment	1,889,777	1,701,137	1,700,426
Research, Engineering & Development	2,982	9,608	21,155
Grants-in-Aid for Airports	1,843,078	1,222,142	1,046,774
Mobility \$ Total	3,943,741	3,167,846	3,061,969
Mobility FTE Total	3,338	3,344	3,393

Global Connectivity

Today the FAA has operational responsibility for approximately half of the world's air traffic, certifies nearly three-quarters of the world's large jet aircraft, and provides assistance on improving aviation systems to more than 100 countries.

The FAA must become even more globally focused. This will help assure that U.S. citizens can travel as safely and efficiently around the world as they do at home. It will also strengthen America's aviation leadership role in both safety and air traffic control.

For safety, FAA will expand its training and technical assistance programs that help Civil Aviation Authorities meet international safety standards. FAA will also continue its work with global partners to promote wider adoption of safety technologies, including measures to reduce controlled flight into terrain, weather-related accidents, and runway incursions.

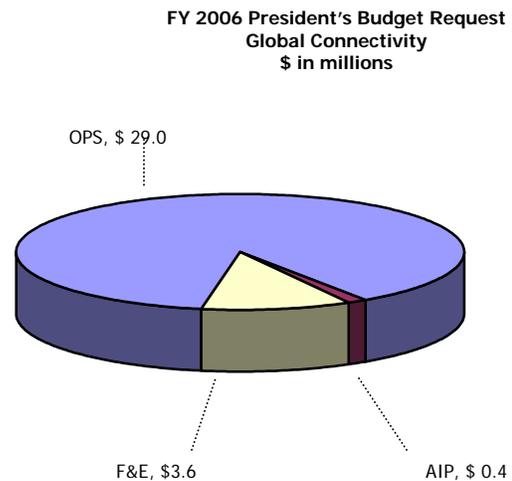


Figure 5

For greater connectivity, FAA is targeting efforts to promote global seamless operations in cooperation with international partners as well as the International Civil Aviation Organization (ICAO). These initiatives include supporting the use of the Global Navigation Satellite System (GNSS) as well as developing Automatic Dependent Surveillance Broadcast (ADS-B) standards and specifications. Other programs are designed to ensure the harmonization of U.S. and global technological standards.

FAA Budget Justification Global Connectivity

The FAA requests \$33 million in FY 2006 to expand its international leadership role and support global connectivity. This includes a request for the Department of State's Capital Security Cost Sharing Program. Under this program, all agencies with staff overseas are charged, on a per capita basis, for the construction of new or modification of existing embassy compounds to meet more stringent physical security requirements. This amount represents the second installment of a 14-year, \$17.5 billion program authorized under the 2005 Foreign Relations Authorization Bill.

Of special importance to the FAA and international aviation is China. U.S. industry is now making major investments in aircraft design and manufacturing ventures in China, including major investment in a Chinese regional jet. These ventures cannot succeed without either a rapid improvement of capabilities of the General Administration of Civil Aviation of China (CAAC), or significant support by the FAA. China must develop the capability to ultimately oversee these activities on their own. The solution to address this gap is for the FAA to establish an office in China to provide comprehensive training to build CAAC competency.

PERFORMANCE GOALS & MEASURES BY PROGRAM ACTIVITIES	FY 2004 ACTUAL	FY 2005 ENACTED	FY 2006 REQUEST
Global Connectivity			
Operations	24,462	26,466	28,966
Facilities & Equipment	6,866	0	3,648
Grants-in_Aid for Airports	0	378	379
Global Connectivity \$ Total	31,328	26,844	32,993
Global Connectivity FTE	128	133	140

Environment

The adverse environmental by-products of aviation, primarily noise and emissions, are major constraints to the continued growth of aviation. Public concerns over the environmental impact of aviation operations, as well as requirements embodied in laws and regulations, can severely constrain the ability of the aviation system to meet the nation's needs. FAA is committed to managing aviation's growth in an environmentally sound manner and has an aggressive plan to accomplish this through mitigation, operational measures, measurements and standards, and research and development.

In FY 2003, the FAA established a Center of Excellence, Partnership for Air Transportation Noise and Emissions Reduction (PARTNER), allowing partnerships with universities, research institutions, and industry to conduct basic research on aircraft noise and aviation emissions, and to generate improved solutions. Through PARTNER, the agency will complete a Continuous Descent Approach prototype program in FY 2006, which will reduce noise while improving fuel efficiency. The requested research funding will allow FAA to continue developing environmentally responsible standards for aircraft certification and operations.

With over 4,000 facilities, FAA has a significant challenge in ensuring FAA facilities comply with applicable Federal, State, and local environmental regulations and policies. The agency is responsible for cleanup of environmental contamination at sites that it has owned or operated. The agency has identified contamination of 207 locations nationwide. For example, former CAA and DoD activities on Annette Island, Alaska, resulted in significant contamination of the Metlakatla Indian Community Reservation, and FAA now the responsibility for cleanup of the contamination caused by its predecessor agency. Environmental cleanups have cost over \$100 million in the past 10 years.

Currently, the agency is conducting assessment activities at 102 locations, and active remediation activities at 66 others. FAA's projected cleanup costs amount to \$473 million. Stiff regulatory fines and penalties can result from failure to comply with EPA requirements.

FY 2006 President's Budget Request – Environment
\$ in millions

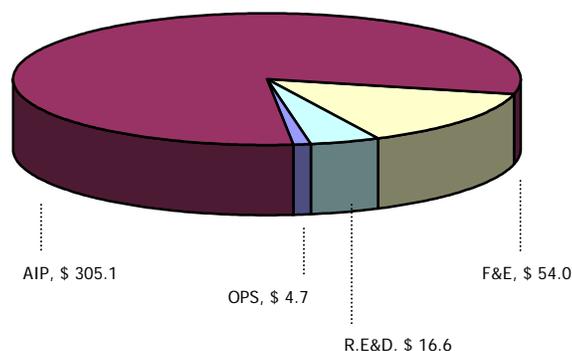


Figure 6

FAA BUDGET JUSTIFICATION ENVIRONMENTAL STEWARDSHIP SUMMARY

The FAA requests \$380.4 million in FY 2006 to support environmental stewardship in aviation.

PERFORMANCE GOALS & MEASURES BY PROGRAM ACTIVITIES	FY 2004 ACTUAL	FY 2005 ENACTED	FY 2006 REQUEST
Environment			
Operations	4,307	4,463	4,705
Facilities & Equipment	61,559	47,564	53,995
Research, Engineering & Development	8,205	12,158	16,604
Grants-in-Aid for Airports	469,120	354,975	305,062
Environment \$ Total	543,191	419,160	380,366
Environment FTE Total	180	177	188

Security

While the Transportation Security Administration (TSA) now has primary responsibility for the security of the flying public, the FAA retains responsibility for the security of its personnel, facilities, equipment, and data. The agency works closely with TSA and other federal agencies to support aviation security, transportation security, and other national security matters.

FAA insures the operability of the national airspace system through the facilities, equipment and personnel of the air traffic control system, which is essential to the rapid recovery of transportation services in the event of a national crisis. The budget request includes \$117.5 million to continue upgrading and accrediting facilities, procure and implement additional security systems, and upgrade the Command and Control Communications equipment.

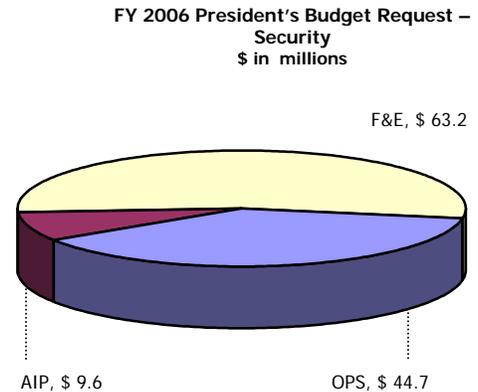


Figure 7

FAA Budget Justification Security Summary

FAA requests \$117.5 million in FY 2006 to support security activities.

<u>PERFORMANCE GOALS & MEASURES BY PROGRAM ACTIVITIES</u>	<u>FY 2004 ACTUAL</u>	<u>FY 2005 ENACTED</u>	<u>FY 2006 REQUEST</u>
Security			
Operations	35,754	42,540	44,654
Facilities & Equipment	55,158	60,207	63,237
Grants-in-Aid for Airports	131,667	11,227	9,649
Security \$ Total	222,579	113,974	117,540
Security FTE Total	363	396	395

Organizational Excellence

The FAA has an remarkable record of achievement—operating the world’s largest aviation system safely and efficiently. Despite FAA’s considerable achievements and contributions to the nation’s economy, we have much work to do, especially in the area of organizational excellence.

Today, as aviation enters its second century—and as the aviation community faces perhaps its toughest economic challenges—we face some of our greatest management challenges. The need to attract the best qualified employees, develop, motivate, and retain our workforce while controlling—and lowering costs, where possible—tops the list. We rely on a motivated, well-trained, technically competent workforce. At the same time, we have a responsibility to manage cost growth, with employee compensation ranking as the single-largest cost area in our labor-intensive agency. We must also review our customer requirements and align our products and services to their needs.

One major area of focus in Organizational Excellence is improving the agency’s greatest resource, human capital. The agency’s human resources operations support the effective and efficient management of human capital, fostering leadership, achieving a performance-based organization, and hiring and retraining mission-critical talent. The *Human Capital Plan*, as a companion to the *Flight Plan*, provides an essential line-of-sight between DOT and FAA business goals and the investments needed in human capital.

FAA will continue to work to align performance management and employee compensation systems with strategic goals and objectives. Over the past several years, the agency has developed a performance management system that differentiates between high and low performance and links individual/team/unit performance to organizational goals and desired results. Leaders and managers strive to sustain a learning environment that drives continuous improvement in performance.

FAA is preparing for the growing number of Air Traffic Controller retirements through FY 2013. Through strategic planning, the agency issued its strategic Workforce Plan that sets a course of action to ensure a sufficient number of qualified controllers to meet capacity and air traffic needs of the future. The agency is positioning itself to assure its customers a smooth, transparent, and successful transition to a new Air Traffic Controller workforce.

The other major area of focus in Organizational Excellence is the efficient use and management of resources. This includes both financial and information resources. Controlling costs is essential. Working with employees and industry partners requires the agency to invest in programs and services that perform; at the same time, it must end those that are redundant or ineffective. The funding requirements for the agency’s financial resource activities and initiatives provide a foundation for the agency to maintain and/or enhance the controls and systems, while allowing the rest of the goals to be achieved.

FY 2006 President’s Budget Request – Organizational Excellence
\$ in millions

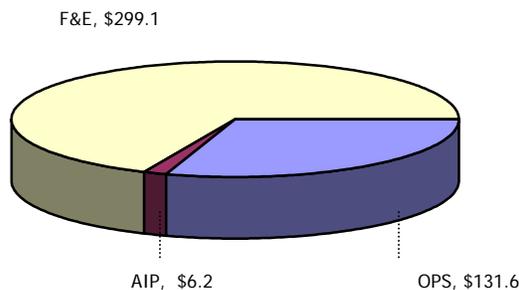


Figure 7

**FAA Budget Justification
Organizational Excellence Summary**

This funding request contributes to the DOT and FAA Organizational Excellence goal. In FY 2006 the FAA requests \$436 million for organizational excellence initiatives. This funding will support *Flight Plan* initiatives and the restructure of several organizations resulting in a better-trained and more efficient workforce.

<u>PERFORMANCE GOALS & MEASURES BY PROGRAM ACTIVITIES</u>	<u>FY 2004 ACTUAL</u>	<u>FY 2005 ENACTED</u>	<u>FY 2006 REQUEST</u>
Organizational Excellence			
Operations	123,964	128,335	131,643
Facilities & Equipment	286,432	287,540	298,114
Grants-in-Aid for Airports	0	1,260	6,194
Organizational Excellence \$ Total	409,596	417,135	436,951
Organizational Excellence FTE Total	1,093	1,154	1,180

Operations Appropriation Build-Up

FAA Operations Appropriation Summary

(\$ in Thousands)

Item Title	Dollars	EOY	FTE
FY 2004 Actual	7,479,206	41,971	42,991
FY 2005 Enacted	7,706,537	41,251	42,543
Unavoidable Adjustments			
1. Annualized FTEs	-26,249		
2. Annualized FY 2005 Pay Raise	73,616		
3. FY 2006 OSI	142,903		
4. FY 2006 SCI	25,982		
5. Health Insurance Increase	14,412		
6. One Less Compensable Day	-23,112		
7. Non-pay inflation	28,991		
8. Maintenance Technicians Staffing Increase	5,400	258	129
Total Unavoidable Adjustments	241,943	258	-45
Other Uncontrollable Adjustments			
1. NAS Handoff Requirements	85,000		
2. FAA's Share for Security Upgrade to U.S. Foreign Service Posts Overseas; new Mideast Office	1,000		
3. BTS Aviation Statistics	4,000		
Total Uncontrollable Adjustments	90,000	0	0
Staffing Increases			
1. Safety Inspectors	7,908	97	49
2. Air Traffic Controllers	24,875	595	298
Total Staffing Increases	32,783	692	347
Base Transfers			
1. Web Management	0		
2. Safety Oversight Office (AOV)	0		
Total Base Transfers	0	0	0
Cost Savings Initiatives	-20,263	-150	-75
FY 2006 Total Base Request	8,051,000	42,051	42,770
A-76 Transition	150,000		
FY 2006 Request	8,201,000	42,051	42,770

Employment

RESOURCE SUMMARY – STAFFING FTE – Total

	<u>FY 2004 ACTUAL</u>	<u>FY 2005 ENACTED</u>	<u>FY 2006 REQUEST</u>
DIRECT FUNDED, BY APPROPRIATION			
Operations (General Fund).....	44,991	42,543	42,770
Facilities and Equipment	2,977	2,930	2,884
Research, Engineering and Development	266	298	298
Grants-in-Aid for Airports	491	533	552
Aviation Insurance Revolving Fund	4	3	3
SUBTOTAL, DIRECT FUNDED	46,729	46,307	46,507
	<u>FY 2004 ACTUAL</u>	<u>FY 2005 ENACTED</u>	<u>FY 2006 REQUEST</u> Table 4
<u>REIMBURSEMENTS/ALLOCATIONS</u>			
Operations.....	132	120	120
Facilities and Equipment	53	55	55
Grants-in-Aid for Airports	3	3	3
Administrative Services Franchise Fund.....	1,212	1,174	1,174
SUBTOTAL, REIMBURSEMENTS	1,400	1,352	1,352
FTE GRAND TOTALS	48,129	47,659	47,859

Airport and Airway Trust Fund

Section 9502 of Title 26, U.S. Code, provides for amounts equivalent to the funds received in the Treasury for the passenger ticket tax and certain other taxes paid by airport and airway users to be transferred to the Airport and Airway Trust Fund. In turn, appropriations are authorized from this fund to meet the obligations for airport improvement grants, facilities and equipment, research, engineering and development, a portion of operations, payment to air carriers and the Bureau of Transportation Statistics Office of Airline Information.

Status of Funds (in millions of dollars)

Identification code: 20-8103-0-7-402		FY2004 Actual	FY 2005 Estimate	FY 2006 Estimate
Balance, start of year:				
0100	Uninvested balance.....	12,397	11,669	11,596
0199	Total balance, start of year.....	12,397	11,669	11,596
Cash Income during the year:				
Current law:				
Receipts				
1200	Passenger ticket tax [021-00-810310-0]	9,174	10,517	11,319
Offsetting receipts (intragovernmental):				
1240	Interest: Airport and airway trust fund [021-00-810320-0].....	477	423	450
Offsetting collections:				
1280	Trust fund share of FAA operations [021-12-8104-0]	1	0	0
1281	Grants-in-aid for airports [021-12-8106-0]	1	1	1
1282	Facilities and equipment [021-12-8107-0]	34	110	110
1283	Offsetting Collections [Budget Acct]		25	25
1284	Offsetting Collections [Budget Acct]		16	16
1299	Income under present law	9,687	11,092	11,921
3299	Total cash income	9,687	11,092	11,921
Cash outgo during year:				
Current law				
4500	Payments to air carriers [021-12-8304-0]	-49	-47	-21
4501	Trust fund share of FAA operations [021-12-8104-0]	-4,489	-4,886	-6500
4502	Grants-in-aid for airports [021-12-8106-0]	-2,961	-3,042	-3,264
4503	Facilities and equipment [021-12-8107-0]	-2,774	-3,002	-2,687
4504	Research, engineering and development [021-12-8108-0]	-142	-188	-188
4599	Outgo under current law (-).....	-10,415	-11,165	-12,660
6599	Total Cash outgo (-).....	-10,415	11,165	12,660
Unexpended balance, end of year:				
8799	Total balance, end of year	11,669	11,596	10,857
Commitments against unexpended balance, end of year				
9801	Obligated balance (-)	-7,961	-8,073	-7,652
9802	Unobligated balance (-).....	-1,261	-1,420	-2,010
	Total commitments	-9,222	-9493	9,662
	Uncommitted Balance, end of year.....	2,447	2,103	1,195