






2017 U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION


CITIZEN CENTRIC REPORT

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The FAA **SAFELY GUIDES** approximately **26 MILLION FLIGHTS*** every year 

 The FAA **MAINTAINS** FAA-operated or FAA contracted **TOWERS** at more than **500 AIRPORTS**

 The FAA **OVERSEES** a system that transports **819 MILLION PASSENGERS** annually on U.S. carriers

The FAA **OPERATES** **24 / 7 / 365** hours a day days a week days a year 

* 15.6 million instrument flight rule flights (radar assisted) plus 10.4 million visual flight rule flights (low flying planes)

Who We Are and What We Do

The Federal Aviation Administration (FAA) is part of the U.S. Department of Transportation (DOT). About 68,000 flights are safely guided through our nation's airspace system every day by the highly skilled and dedicated men and women of the FAA. The FAA is also responsible for the safe inclusion of new entrants into the airspace system, such as commercial space vehicles and unmanned aircraft.

The FAA fulfills its mission through five lines of business that work collaboratively to create, operate, and maintain our nation's airspace system:

- **Air Traffic Organization.** Serves as the operational arm of the FAA and is responsible for providing safe and efficient air navigation services for 30.2 million square miles of airspace.
- **Airports.** Provides leadership in planning and developing a safe and efficient national airport system; is responsible for all programs related to airport safety and inspections, and for standards of airport design, construction, and operation.
- **Aviation Safety.** Develops, establishes, administers, and enforces safety standards for all parts of the aviation industry, impacting every facet of domestic and international civil aviation.
- **Security and Hazardous Materials Safety.** Ensures the integrity of those who work in or support our nation's airspace system, protecting FAA assets from criminal and terrorist acts.
- **Commercial Space Transportation.** Oversees the safety of commercial space transportation activities, which includes the licensing of space launches and reentries and the inspection of space vehicles, launch sites and operations.

The FAA also has 9 staff offices that support these lines of business and accomplishments of the agency's mission.

OUR MISSION

To provide the safest, most efficient aerospace system in the world.

OUR VISION

To transform the aviation system to reflect the highest standards of safety and efficiency and be a model for the world. The FAA will bring about this transformation by fostering innovation in our workforce and in how we serve our stakeholders and the American people.

How We Are Doing

To fulfill our mission, the FAA is guided by four strategic priorities: (1) making aviation safer and smarter by continually analyzing operations to detect and mitigate risk; (2) using technology and infrastructure to improve our airspace system; (3) enhancing the FAA's role as a global aviation leader; and (4) empowering our workforce to lead and develop the skills needed for the future. For each priority, we develop a strategic objective and performance measures that guide our activities and progress. We measure our progress annually.

Below is a summary of the FAA's FY 2017 performance:

Strategic Priority: MAKE AVIATION SAFER AND SMARTER			
Strategic Objective: Build on safety management principles to proactively address emerging safety risks by using consistent, data-informed approaches to make smarter, system-level, risk-based decisions.			
Performance Measure	FY 2016 Results	FY 2017 Target/Results	FY 2017 Status
Commercial Air Carrier Fatality Rate The FY 2017 rate will not exceed 6.2 fatalities per 100 million people on board.	0.6 ¹	6.4 0.3 ²	✓
Serious Runway Incursions Rate Reduce Category A & B (most serious) runway incursions to ≤ 0.395 per million operations.	0.380	0.395 0.130 ³	✓
System Risk Event Rate Limit most serious losses of standard separation to ≤ 10 for every thousand losses of standard separation.	2.66	10 2.24 ³	✓
IT Risk Management and Information Systems Security Address 80% of high value risks within 30 days. Continue Cybersecurity Steering Committee oversight to assure consistent risk acceptance decisions. Visualize vulnerabilities on internet protocol based systems.	100%	80% 100%	✓
General Aviation Fatal Accident Rate Reduce to ≤ 1.01 fatal accidents per 100,000 flight hours.	0.91 ¹	1.01 0.84 ²	✓
Commercial Space Launch Accidents No fatalities, serious injuries, or significant property damage to the uninvolved public during licensed or permitted space launch and reentry activities.	0	0 0	✓
Unmanned Aircraft System (UAS) Priorities Achieve three milestones identified as FY 2017 UAS priorities.	New measure for FY 2017	3 3	✓

✓ Target met ✗ Target not met

- 1 Preliminary estimate until final result can be confirmed by the National Transportation Safety Board (NTSB) in March 2018. We do not expect any change in the final result to be significant enough to alter our year-end status of achieving the target.
- 2 Preliminary estimate until final result can be confirmed by the National Transportation Safety Board (NTSB) in March 2019. We do not expect any change in the final result to be significant enough to alter our year-end status of achieving the target.
- 3 Preliminary estimate until the final result becomes available in January 2018. We do not expect any change in the final result to be significant enough to alter our year-end status of achieving the target.

Strategic Priority: DELIVER BENEFITS THROUGH TECHNOLOGY AND INFRASTRUCTURE			
Strategic Objective: Lay the foundation for the national airspace system of the future by achieving prioritized NextGen benefits, integrating new user entrants, and delivering more efficient, streamlined services.			
Performance Measure	FY 2016 Results	FY 2017 Target/Results	FY 2017 Status
Data Communications Deploy at remaining nine sites for a cumulative total of 55 towers.	46	9 9	✓
Major System Investments In FY 2017, maintain 90% of major system investments within 10% variance of current acquisition program baseline total budget at completion.	95%	90% 95%	✓
Carbon Neutral Goal for Domestic Operations Maintain carbon dioxide emissions from domestic aircraft operations below the 2005 level of 132.7 teragrams.	New measure for FY 2017	132.7 120.4	✓
Noise Exposure Reduce the number of people exposed to significant aircraft noise, 315,000.	343,000	315,000 408,000	✗
Unmodified Audit Opinion Financial audit opinion is unmodified with no material weakness.	Achieved	Unmodified audit opinion w/1 material weakness	✗

✓ Target met ✗ Target not met

Strategic Priority: ENHANCE GLOBAL LEADERSHIP			
Strategic Objective: Improve safety, air traffic efficiency, and environmental sustainability across the globe through an integrated data driven approach that shapes global standards, enhances collaboration and harmonization, and better targets FAA resources and efforts.			
Performance Measure	FY 2016 Results	FY 2017 Target/Results	FY 2017 Status
Enhance Global Leadership Add data-based priorities at the global and regional levels to the FAA International Strategy for future FAA engagement and support.	New measure for FY 2017	Add priorities to int'l strategy Priorities added to int'l strategy	✓

✓ Target met ✗ Target not met

Strategic Priority: EMPOWER AND INNOVATE WITH THE FAA'S PEOPLE			
Strategic Objective: Prepare FAA's human capital for the future by identifying, recruiting, and training a workforce with the leadership, technical, and functional skills to ensure the United States has the world's safest and most productive aviation sector.			
Performance Measure	FY 2016 Results	FY 2017 Target/Results	FY 2017 Status
FedView Rankings Ranked in the top 28% of federal agencies in the Best-Places-to-Work FedView rankings.	53%	28% TB1	TBD ¹

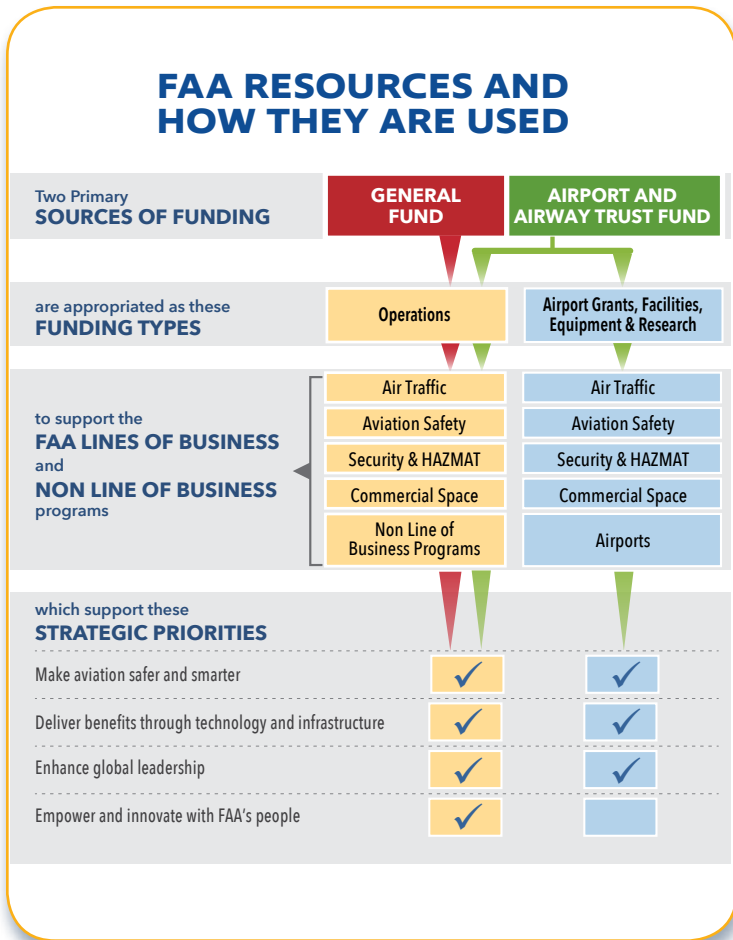
1 Results for FY 2017 will be available in December 2017.

More information about our performance can be found in our **FY 2017 Performance and Accountability Report** at https://www.faa.gov/about/plans_reports/media/2017_FAA_PAR.pdf.



FAA Resources and How They Are Used

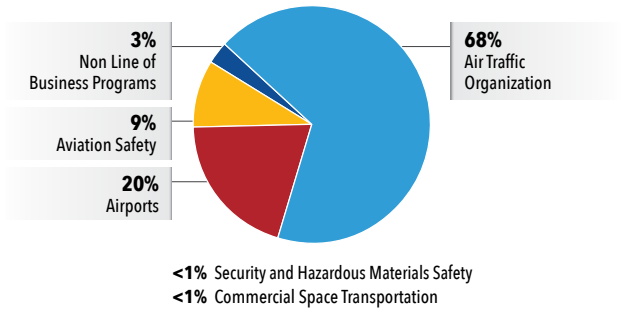
In FY 2017, the FAA operated with a \$16.7 billion budget and 45,711 employees. Unlike many other federal government entities, the vast majority of FAA's funding comes directly from users of the aviation system through ticket taxes and fees that are deposited to the Airport and Airway Trust Fund (AATF). The AATF pays for all of FAA's airport grants, facilities, equipment, research, and a majority of operations funding. In FY 2017, the AATF provided 95% of funding necessary to operate the FAA. The other 5% of funding came from the General Fund of the U.S. Treasury.



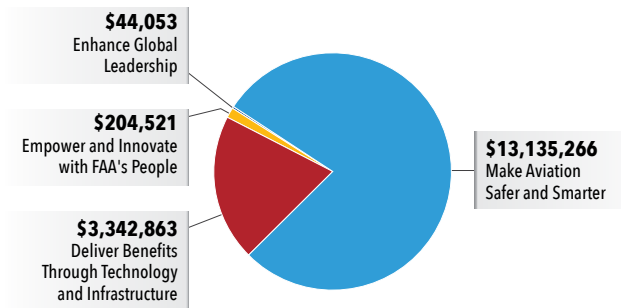
i An independent audit of FAA's financial statements was conducted resulting in an unmodified ("clean") opinion. Complete financial information can be found in our *FY 2017 Performance and Accountability Report* at https://www.faa.gov/about/plans_reports/media/2017_FAA_PAR.pdf.

For the fiscal year ended September 30, 2017, the FAA's net costs were \$16.7 billion. The Net Costs By Organization chart shows the distribution of costs among the FAA's five lines of business and non-line of business programs. The Net Costs By Strategic Priority Area chart shows the allocation of net costs to the FAA's four strategic priorities.

NET COSTS BY ORGANIZATION for the fiscal year ended September 30, 2017



NET COSTS BY STRATEGIC PRIORITY AREA for the fiscal year ended September 30, 2017 (Dollars in Thousands)



The Air Traffic Organization is the FAA's largest line of business, comprising 68% (\$11.4 billion) of total net costs. The Air Traffic Organization's net costs increased by \$232.6 million, primarily from increases in costs for labor, benefits, and contractor services, offset by decreases in materials and supplies.

The FAA's line of business with the second largest net cost is Airports, comprising 20% (\$3.3 billion) of the FAA's total net costs. Airports net costs are comprised primarily of improvements to our nation's airports from the Airport Improvement Program. These are made through grants to airport authorities, local and state governments, and metropolitan planning authorities throughout the United States and its territories.

Aviation Safety represents 9% (\$1.5 billion) of net costs, while Non Line of Business Programs comprise 3% of total net costs. The net costs of our Security and Hazardous Materials Safety and Commercial Space Transportation lines of business each represented less than 1% of FAA's total net costs.



Challenges Ahead

The only guidance tools America's earliest pilots had were their eyes. The first man-made air navigation aids were a transcontinental series of bonfires the U.S. Postal Service set up so that mail could travel at night. And the first air traffic control tower, if you can call it that, was operated out of a wheelbarrow with two signal flags to let airplanes know if they should hold or land. This is hard to imagine today. Moving from bonfires and wheelbarrows to satellites and computers took less than the span of a single lifetime. In the not-too-distant future, planes will be sharing airspace with commercial space rockets, package delivery drones, aerial taxis, and other technologies not yet imagined. With these advancements come more complex challenges to maintain safety, improve operations, and spur innovation.

- ▶ How can the FAA ensure that our airspace works for everybody who wants to use it?
- ▶ What additional steps can we take to ensure that other countries improve airspace safety in the places where Americans travel?
- ▶ How can we encourage industry to equip their aircraft in preparation for the full realization of NextGen benefits? NextGen is FAA's effort to transform the nation's airspace system through advanced technology to improve safety, increase capacity, and reduce the effects of aviation on the environment.
- ▶ How can the FAA maintain safety without stifling America's proud tradition of innovation?

These are among the questions and challenges of the day. What won't have to be imagined is the U.S. commitment to maintaining the safest aerospace system in the world. As we proceed with NextGen, integrate drones and other new users, and address other important questions of the day, our commitment to safety and our aviation industry partnerships will continue to guide us.



Each year, the DOT Inspector General issues a report of top management challenges, and the FAA is tasked to address those applicable to aviation. The FAA develops action plans and timelines, and prepares an "actions taken" report describing the progress made in addressing each challenge. These actions-taken reports, initial action plans, and the Inspector General's report identifying top challenges are posted on FAA's website at https://www.faa.gov/about/plans_reports/#tmc.

Thank you for your interest in the FAA.

WE WELCOME YOUR COMMENTS
on how we can make this report more informative for our readers.

Please send your comments to:

EMAIL: PAR@faa.gov

PHONE: 202-267-9105



This report and reports from prior years are available on the FAA website at



http://www.faa.gov/about/plans_reports/#performance

You can also stay connected with the FAA via the social media listed below



Facebook: www.facebook.com/FAA

Flickr: www.flickr.com/photos/FAANews

Twitter: www.twitter.com/FAANews

YouTube Channel: www.youtube.com/FAANews

LinkedIn: www.linkedin.com/company/faa

