THE FAA. ADVANCING AVIATION.

FISCAL YEAR 2019
SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION

THE FAA. ADVANCING AVIATION.
MISSION • VISION • VALUES

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

OUR VISION
We strive to reach the next level of safety and efficiency and to demonstrate global leadership in how we safely integrate new users and technologies into our aviation system. We are accountable to the American public and our aviation stakeholders.

OUR VALUES

SAFETY IS OUR PASSION
We work so that all air and space travelers arrive safely at their destinations.

EXCELLENCE IS OUR PROMISE
We seek results that embody professionalism, transparency, and accountability.

INTEGRITY IS OUR TOUCHSTONE
We perform our duties honestly, with moral soundness, and with the highest level of ethics.

PEOPLE ARE OUR STRENGTH
Our success depends on the respect, diversity, collaboration, and commitment of our workforce.

INNOVATION IS OUR SIGNATURE
We foster creativity and vision to provide solutions beyond today’s boundaries.

ABOUT THIS REPORT
This report summarizes the Federal Aviation Administration’s (FAA) more detailed Performance and Accountability Report (PAR) which is available on the FAA website at https://www.faa.gov/about/plans_reports/#performance. As an agency within the U.S. Department of Transportation (DOT), the FAA is not required to prepare a separate PAR or summary report. However, to demonstrate accountability, we choose to present our performance, management, and financial information using the same statutory and guidance framework as that used by the DOT in its reporting to the federal government. In some cases, however, we may depart from the reporting formats prescribed for agencies that are subject to the Chief Financial Officers Act of 1990.
44,416 TOTAL EMPLOYEES AS OF SEPTEMBER 30, 2019

3,098
MIKE MONRONEY
AERONAUTICAL CENTER (MMAC)
Oklahoma City, OK

1,373
WILLIAM J. HUGHES
TECHNICAL CENTER
Atlantic City, NJ

3,897
HEADQUARTERS
Washington, DC

36,048 REGIONAL AND FIELD OFFICES*

*Regional and field offices include 1,770 FAA employees outside the continental U.S. as follows: 1,110 and 358 in Alaska and Hawaii, respectively, 278 in U.S. territories, and 24 in foreign countries.

$17.45 BILLION BUDGET ENACTED FOR FISCAL YEAR 2019

$0.19 BILLION RESEARCH, ENGINEERING & DEVELOPMENT

$3.0 BILLION FACILITIES & EQUIPMENT

$3.85 BILLION GRANTS IN AID FOR AIRPORTS

$10.41 BILLION OPERATIONS
The Federal Aviation Administration (FAA) is part of the U.S. Department of Transportation (DOT). More than 2.7 million passengers fly every day in and out of U.S. airports, safely guided 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 (ATO).** Serves as the operational arm of the FAA and is responsible for providing safe and efficient air navigation services for 29.4 million square miles of airspace.
- **Airports (ARP).** 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 (AVS).** Develops, establishes, administers, and enforces safety standards for all parts of the aviation industry, impacting every facet of domestic and international civil aviation safety.
- **Security and Hazardous Materials Safety (ASH).** Protects critical FAA assets, personnel, and the flying public from security risks, including criminal, terrorist, and insider threat actions.
- **Commercial Space Transportation (AST).** Ensures protection of the public, property, and the national security and foreign policy interests of the United States during commercial launch or reentry activities through licensing launches and reentries, and the operation of launch and reentry sites.

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

The Reports Consolidation Act of 2000 requires the Inspector General (IG) to identify and report annually on the most serious management and performance challenges that federal agencies face. Of the 25 key challenges identified by the IG for FY 2019, DOT tasked the FAA with addressing the following 15 challenges:

- Implementing effective air carrier oversight by proactively identifying and mitigating significant operational and maintenance safety risks
- Balancing collaboration and enforcement in air carrier safety oversight
- Addressing runway safety risks
- Safely evacuating airline passengers in the event of an aircraft incident
- Strengthening oversight of Unmanned Aircraft Systems in the national airspace system
- Enhancing interagency coordination to improve cockpit security
- Ensuring effective oversight of FAA’s drug and alcohol testing program
- Addressing barriers to implementation of new flight routes
- Providing new capabilities to airspace users while modernizing systems
- Replacing existing radar with a new system financed by the auction of electromagnetic spectrum
- Strengthening management oversight of developmental funding for air traffic management
- Resolving longstanding security weaknesses to strengthen information technology infrastructure
- Implementing congressionally mandated aviation cybersecurity initiatives
- Implementing innovative and streamlined acquisition practices while managing risk
- Strengthening agency oversight of DOT assets, contracts, and grants

After the IG’s report was issued, the FAA developed an “Action Plan” listing actions and timelines for addressing each of the challenges. The FAA then developed an “Actions Taken” report describing the progress the FAA made in FY 2019 to address each challenge. These Actions Taken reports, initial Action Plans, and the IG’s report identifying top management challenges are posted on FAA’s website at [http://www.faa.gov/about/plans_reports/](http://www.faa.gov/about/plans_reports/) under the DOT IG Top Management Challenges section.
In this section, the FAA discusses its achievements in addressing our 16 performance measures. The FAA organizes its measures by the following strategic goals:

- **Safety**: Reduce civil aviation and commercial space transportation-related fatalities and serious injuries.
- **Infrastructure**: Invest in aviation infrastructure to ensure safety, mobility and accessibility, and to stimulate economic growth, productivity and competitiveness for American workers and businesses.
- **Innovation**: Lead in the development and deployment of innovative practices and technologies that improve the safety and performance of the nation’s aviation system.
- **Accountability**: Serve the nation with reduced regulatory burden and greater efficiency, effectiveness, and accountability.

In FY 2019, the FAA achieved 15 of the 16 performance targets. The FAA has noted the measures for which the data provided are preliminary.

### SAFETY

**Reduce Aviation and Commercial Space Transportation-Related Fatalities and Serious Injuries in Commercial and General Aviation.**

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY 2016 Results</th>
<th>FY 2017 Results</th>
<th>FY 2018 Results</th>
<th>FY 2019 Target</th>
<th>FY 2019 Results</th>
<th>FY 2019 Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><em><em>Commercial Air Carrier Fatality Rate</em>†</em>*</td>
<td>0.6</td>
<td>0.3</td>
<td>0.1†</td>
<td>5.9</td>
<td>0.6†</td>
<td>✓</td>
</tr>
<tr>
<td>Reduce the commercial air carrier fatalities per 100 million persons on board by 50 percent over an 18-year period (FY 2008–FY 2025). No more than 5.9 in FY 2019.</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commercial Surface Safety Risk Index</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manage the weighted surface safety risk index at or below 0.35 per million airport operations for commercial aviation.</td>
<td></td>
<td></td>
<td>This is a new measure for FY 2019</td>
<td></td>
<td>0.35</td>
<td>✓</td>
</tr>
<tr>
<td><strong>System Risk Event Rate (SRER)</strong></td>
<td>2.66</td>
<td>2.44</td>
<td>3.58</td>
<td>10</td>
<td>2.08†</td>
<td>✓</td>
</tr>
<tr>
<td>Reduce risks in flight by limiting the rate of the most serious losses of standard separation to 10 or fewer for every thousand losses of standard separation within the national airspace system.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em><em>General Aviation (GA) Fatal Accident Rate</em>†</em>*</td>
<td>0.89</td>
<td>0.83</td>
<td>0.87†</td>
<td>0.98</td>
<td>0.93†</td>
<td>✓</td>
</tr>
<tr>
<td>Reduce the general aviation fatal accident rate to no more than 0.89 fatal accidents per 100,000 flight hours by FY 2028. No more than 0.98 in FY 2019.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commercial Space Launch and Reentry Safety</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>✓</td>
</tr>
<tr>
<td>Ensure there are no fatalities, serious injuries, or significant property damage to the uninvolved public during licensed or permitted space launch and reentry activities.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*This performance measure supports a DOT Agency Priority Goal.

1 Preliminary estimate. National Transportation Safety Board will confirm in March 2020. We do not expect any change in the result to be significant enough to alter our year-end status of achieving the target.

2 Preliminary estimate. National Transportation Safety Board will confirm in March 2021. We do not expect any change in the 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 2020. We do not expect any change in the final result to be significant enough to alter our year-end status of achieving the target.

4 Preliminary estimate until the final result becomes available in March 2020. We do not expect any change in the final result to be significant enough to alter our year-end status of achieving the target.
**INFRASTRUCURE**

*Invest in Infrastructure to Ensure Safety, Mobility and Accessibility and to Stimulate Economic Growth, Productivity and Competitiveness for American Workers and Businesses.*

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY 2016 Results</th>
<th>FY 2017 Results</th>
<th>FY 2018 Results</th>
<th>FY 2019 Target</th>
<th>FY 2019 Results</th>
<th>FY 2019 Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noise and Community Engagement: Seminars and/or Workshops</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>Facilitate community engagement events to solidify standard operating procedures</td>
<td>Incorporated feedback from a series of community engagement events that is solidifying standard operating procedures</td>
<td>✓</td>
</tr>
<tr>
<td>Noise and Community Engagement: Noise Screening Methodology</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>Develop noise screening methodology</td>
<td>Produced updated noise screening methodology</td>
<td>✓</td>
</tr>
<tr>
<td>NextGen Joint Implementation Plan Recommendations*</td>
<td></td>
<td></td>
<td></td>
<td>95% 92% 91.3%</td>
<td>80% 97.5%</td>
<td>✓</td>
</tr>
<tr>
<td>Unmanned Aircraft System (UAS) Waivers*</td>
<td>This was a new measure for FY 2018</td>
<td>This was a new measure for FY 2018</td>
<td>17</td>
<td>45 18</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Global Leadership at the International Civil Aviation Organization (ICAO)</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>Priority issues or outcomes identified, receive IAB endorsement, implement action plan</td>
<td>Identified priority issues or outcomes, received endorsement from the IAB, developed and began implementing action plan</td>
<td>✓</td>
</tr>
</tbody>
</table>

*This performance measure supports a DOT Agency Priority Goal.

**INNOVATION**

*Lead in the Development and Deployment of Innovative Practices and Technologies that Improve the Safety and Performance of the Nation’s Aviation System.*

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY 2016 Results</th>
<th>FY 2017 Results</th>
<th>FY 2018 Results</th>
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<th>FY 2019 Results</th>
<th>FY 2019 Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unmanned Aircraft System (UAS) Authorizations*</td>
<td>This was a new measure for FY 2018</td>
<td>This was a new measure for FY 2018</td>
<td>50</td>
<td>45 19</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>UAS Integration Pilot Program* – Part 135 Certificate Issue Approval for a Part 135 Certificate.</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>Issue certificate</td>
<td>Issued 2 certificates</td>
<td>✓</td>
</tr>
<tr>
<td>UAS Integration Pilot Program* – Enabling Operations Demonstrate capability for advanced UAS operations by enabling 5 distinct Beyond Visual Line of Sight operations and 3 distinct Operations Over People operations.</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>This is a new measure for FY 2019</td>
<td>Issue 5 waivers for beyond visual line of sight operations and 3 waivers for operations over people</td>
<td>Issued 23 waivers for beyond visual line of sight operations and 17 waivers for operations over people</td>
<td>✓</td>
</tr>
<tr>
<td>IT Risk Management and Information Systems Security Address 80 percent of Internet Protocol (IP) based high value risks within 30 days. Continue to provide information to the Cybersecurity Steering Committee to assure consistent risk acceptance decisions.</td>
<td>100% 100% 100%</td>
<td>80% 98%</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*This performance measure supports a DOT Agency Priority Goal.
### ACCOUNTABILITY
Serve the Nation with Reduced Regulatory Burden and Greater Efficiency, Effectiveness and Accountability.

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY 2016 Results</th>
<th>FY 2017 Results</th>
<th>FY 2018 Results</th>
<th>FY 2019 Target</th>
<th>FY 2019 Results</th>
<th>FY 2019 Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major System Investments*</td>
<td>95%</td>
<td>92%</td>
<td>90.5%</td>
<td>90%</td>
<td>75%</td>
<td>✘</td>
</tr>
<tr>
<td>Ninety percent of major baselined acquisition programs must be maintained within ten percent of their current acquisition cost, schedule and performance baseline as of the end of FY 2019.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unmodified Audit Opinion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unmodified audit opinion w/no material weakness</td>
<td>✓ Target met</td>
</tr>
<tr>
<td>Obtain an unmodified audit opinion with no material weakness on the agency’s financial statements.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unmodified audit opinion w/no material weakness</td>
<td></td>
</tr>
<tr>
<td>*This performance measure supports a DOT Agency Priority Goal.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unmodified audit opinion w/no material weakness</td>
<td></td>
</tr>
</tbody>
</table>

Above: The Airport Facilities Terminal Integration Laboratory includes 3-D models of dozens of U.S. airports and simulates aircraft movements. FAA photo

Left: In the air traffic control tower at Charlotte Douglas International Airport, NC. FAA photo
Following are highlights of the Federal Aviation Administration's (FAA) FY 2019 financial performance. For a more detailed look at the financial statements and accompanying notes, see our Fiscal Year 2019 Performance and Accountability Report (PAR), pages 28–33 and 88–129. The PAR is available on our website at www.faa.gov/about/plans_reports/#performance.

The FAA receives budget authority to obligate and expend funds from both the General Fund of the U.S. Government and the Airport and Airway Trust Fund (AATF). Created by the Airport and Airway Revenue Act of 1970, the AATF is supported by excise taxes and earned interest. It pays for investments in the airport and airway system, and a majority of the FAA’s operating costs. In FY 2019, the AATF paid for approximately 94 percent of the FAA’s enacted budget authority per the Consolidated Appropriations Act, 2019 (Public Law 116-6).

Aviation excise taxes, which include taxes on domestic passenger tickets, freight waybills, general and commercial aviation fuel, and international departures and arrivals, are deposited into the AATF. The Department of the Treasury, which administers the AATF, invests those funds in government securities. Interest earned is also deposited into the AATF. Funds are withdrawn from the AATF as needed to meet cash disbursement needs.

The FY 2019 enacted budget of $17.45 billion was a decrease of $663 million (3.7 percent) from the FY 2018 enacted level. The FAA requests and receives its funding in four primary accounts:

- **Operations**
- **Grants-in-Aid for Airports**
- **Facilities and Equipment (F&E)**
- **Research, Engineering, and Development (RE&D)**

The largest account, Operations, is supported by both the General Fund and the AATF. In FY 2019, the AATF supported 94 percent of the funding for the Operations account. In most previous years, the AATF supported 100 percent of the funding for the three other accounts — Grants-in-Aid for Airports, F&E, and RE&D. In FY 2018 and FY 2019, however, the Grants-in-Aid for Airports program received funding from both the AATF and the General Fund. The AATF provided 87 percent of the total funding for Grants-in-Aid for Airports in FY 2019.

**Operations.** This account finances operating costs, maintenance, communications, and logistical support for the air traffic control and air navigation systems. It also funds the salaries and costs associated with safety inspections and regulatory responsibilities. In addition, the account covers administrative and managerial costs for international, medical, engineering, and development programs, as well as for policy oversight and overall management functions. The FY 2019 Operations appropriation was $10.41 billion, approximately 1.6 percent greater than FY 2018.

Test engineers reviewing live engine test data during fuels testing. Propulsion and Airpower Engineering and Research Lab.

FAA’s Emergency Response Vehicle, whose chief mission is to provide command and control communications in disasters.
Grants-in-Aid for Airports. This account funds the Airport Improvement Program (AIP) through which the FAA awards grants for airport planning and development to maintain a safe and efficient nationwide system of public airports. These grants fund approximately one-third of all capital development at the nation’s public airports. The FAA issues grants to maintain and enhance airport safety, preserve existing infrastructure, and expand capacity and efficiency throughout the system. The program also supports noise compatibility and planning, the military airport program, reliever airports, and airport program administration. FY 2019 funding for AIP from the AATF was $3.35 billion, unchanged from the FY 2018 level. In addition, AIP received $500 million from the General Fund in FY 2019, a 50 percent decrease from the level provided from the General Fund in FY 2018.

F&E. This account funds the capital improvement projects necessary to establish, replace, relocate, or improve air navigation facilities and equipment and aviation safety systems across the national airspace system. F&E was funded at $3.0 billion in FY 2019, a decrease of about 9.9 percent from the FY 2018 level.

RE&D. This account funds research, engineering, and development programs to plan, conduct, and integrate domestic and international research efforts, and develop products and services that will ensure a safe, efficient, and more environmentally-conscious global air transportation system. The FY 2019 appropriation for RE&D was $191.1 million, an increase of about 1.1 percent above the FY 2018 level.

The FAA must use its funds in the manner they are appropriated. The FAA does not possess the legal authority to move funds between accounts. A transfer between accounts requires an act of Congress.

Other Budgetary Resources. In addition to the primary funding resources appropriated by Congress, the FAA also receives budgetary resources from revolving funds and user fees.
SUMMARY OF
FINANCIAL INFORMATION

The summarized financial information presented in this section was derived from the FAA’s audited FY 2019 and FY 2018 financial statements, which can be found on pages 88–129 of FAA’s FY 2019 Performance and Accountability Report. The full report can be found on the FAA webpage at https://www.faa.gov/about/plans_reports/?performance.

The FAA’s total assets were $35.0 billion as of September 30, 2019. The FAA’s assets are the resources available to pay liabilities or satisfy future service needs. The Composition of Assets chart depicts major categories of assets as a percentage of total assets.

As of September 30, 2019, the FAA reported liabilities of $4.4 billion. Liabilities are probable and measurable future outflows of resources arising from past transactions or events. The Composition of Liabilities chart depicts the FAA’s major categories of liabilities as a percentage of total liabilities.

For the fiscal years ended September 30, 2019 and September 30, 2018, FAA’s net costs were $17.2 billion and $16.6 billion, respectively. The Composition of Net Cost chart on page 9 illustrates the percentage distribution of costs among the FAA’s lines of business.
SUMMARY OF FINANCIAL STATEMENT AUDIT AND FAA MANAGEMENT ASSURANCES

On November 9, 2019, the FAA’s independent auditor, KPMG, LLP, rendered an unmodified opinion on the FAA’s FY 2019 financial statements with no material weaknesses.

The accompanying table summarizes the results of the independent audits of the FAA’s FY 2018 and FY 2019 consolidated financial statements. The table also summarizes the management assurances related to the effectiveness of internal control over the FAA’s financial reporting and operations, and its conformance with financial management system requirements under Sections 2 and 4, respectively, of the Federal Managers’ Financial Integrity Act (FMFIA) of 1982, as well as compliance with the Federal Financial Management Improvement Act (FFMIA).

<table>
<thead>
<tr>
<th>AUDITOR CONCLUSIONS</th>
<th>Financial statements audits: FY 2018 and FY 2019</th>
<th>Unmodified opinions</th>
<th>No material weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>AGENCY ASSERTIONS</td>
<td>Effectiveness of Internal Control over Financial Reporting and Operations (FMFIA § 2)</td>
<td>Unmodified statement of assurance</td>
<td>No material weaknesses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Financial management system requirements (FMFIA § 4)</td>
<td>No nonconformances (Agency and Auditor)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Systems requirements, accounting standards, and the U.S. Standard General Ledger at the transaction level (FFMIA)</td>
<td>No lack of compliance noted (Agency and Auditor)</td>
<td>✓</td>
</tr>
</tbody>
</table>

The Net Cost By Strategic Goal chart below shows the percentage allocation of the FAA’s total FY 2019 net cost of $17.2 billion to its four strategic priority areas. For more detailed information, see pages 27 and 114 of our Fiscal Year 2019 Performance and Accountability Report.
WE WELCOME YOUR COMMENTS

Thank you for your interest in the FAA’s FY 2019 Summary of Performance and Financial Information.

We welcome your comments on how we can make this report more informative for our readers.

Please send your comments to:

OFFICE OF FINANCIAL MANAGEMENT
Federal Aviation Administration
800 Independence Avenue SW, Room 600W
Washington, DC 20591

202-267-9105
PAR@FAA.GOV

This FY 2019 Summary of Performance and Financial Information and its companion, the FY 2019 Performance and Accountability Report, and prior year documents are available on the FAA website at:

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

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