

Title: **Flight Plan 2006-2010:**

Making a Difference, One Goal at a Time

Sub:

The Federal Aviation Administration is charged with safely and efficiently operating and maintaining the most complex aviation system in the world. How we do that takes the full weight of 45,852 people. This is our report card and our plans for moving forward.

Quote: “Moving America safely. It’s what we do.”

It’s the dilemma any organization wants to have: where do you go when you’re already number one, when your yardstick for safety is the world standard, when the odds of a commercial fatality stretch all the way from 1 in 11 million flying passengers?

Because the speed of the lead is the speed of the pack, you aim higher still, which is what the FAA and its employees have done with this updated version of the *Flight Plan, 2006-2010*. The *Flight Plan* is the FAA’s to-do list, a set of marching orders developed for, by, and with our employees and stakeholders. It’s designed to make sure that we focus on what’s important and that we spend the taxpayer dollar with increasing care.

When setting goals, the agency ensures that the bar is set high enough. Our standards must result in excellence. Truth be told, the flying public accepts nothing less. But setting goals has an additional purpose. The FAA’s system for employee pay is tied to the achievement of these goals. Each and every day, we are operating more and more like a business, and this plan is our roadmap for success.

This is the third edition of the *Flight Plan*. Each year, we assess ourselves – the report card is posted quarterly at www.faa.gov – and we ask our stakeholders to weigh in as well. Are the goals high enough? Are we paying attention to the right things?

The answer is yes and sometimes no. And even while we hit 24 of the 30 performance targets during the past year¹, we must work harder to improve. Our job is to make a difference every day, and our ultimate goal is to make the complex look routine.

Here's a summary of our performance for 2005. It's more than just a list of achievements. For us, each missed target is a lesson for improvement.

2005: A Snapshot

- *Safety*: It's always the most important task on our list and the results have been overwhelming. This was the safest three-year period in the history of commercial aviation, only 0.017 fatal accidents per hundred thousand takeoffs – the equivalent of one fatal accident per 5.9 million flights. This is an achievement that all FAA's employees and the entire aviation community should be proud. At the same time, however, general aviation's fatal accidents, especially those in Alaska, remain a concern. The agency continues to educate the pilot community and deploy new technology to drop the numbers. Mistakes made when directing air traffic – also known as operational errors – were up this past year. We are taking actions on a number of fronts to improve our performance in 2006. For the third year in a row, serious runway incursions, instances where a plane comes too close to another plane or vehicle, were down.
- *Capacity*: Long lines on the tarmac are bad news – no matter which side of the counter you're on. That's why we're pushing to make inroads in improving the capacity of the system. We're seeing results. Overall, though, our on-time numbers are actually above target through June, but the summer high travel season, with its severe weather, is upon us. We had more instrument operations – meaning planes were taking off and landing in bad weather. We also had greater convective weather at higher altitudes. When you couple these, a delayed flight is born. We're also at risk of not achieving our

¹ Projected performance as of July 2005. This is subject to change.

2005 target of granting 75 percent of all oceanic requests, which are the times when pilots flying over the ocean seek to alter their routes. While we granted 9 percent more altitude change requests than we did last year, we are falling short of our goal because of the unexpected increase of request received, exceeding last year's demand by 11 percent. Our schedule for implementing ATOP – Advanced Technologies and Oceanic Procedures – was on time for implementation with New York, but fell behind for Oakland and Anchorage. With ATOP, we will be able to take horizontal separation from 100 miles down to 30 and longitudinal separation from 80 miles down to 30. Eventually, this will save fuel, time, and money.

- *International:* The FAA sets the pace for aviation across the globe. We continue to use our most important export – safety – as a means to ensure that the global system mirrors aviation in the U.S. The list of countries we provide support to has reached 100. We supported 26 countries so far in FY 2005. We're working with the International Civil Aviation Organization and Eurocontrol to harmonize safety, efficiency, and technology. We increased our technical interactions with China, India, and Brazil, and we plan to open new offices in India, South America, and the Middle East in 2006. Our aim is simple: We're making international air travel safe for the American flying public, while enhancing the technical and economic stability of aviation across the globe.
- *Organizational Excellence.* The agency's 45,852 employees continue to distinguish themselves in performance and leadership. Together, we delivered on a promise to become more fiscally responsible, customer focused, and results oriented. This past year, we had a number of successes. One of our most important successes was conducting the largest A-76 outsourcing competition at a non-defense agency in the federal government. As a result, the FAA's delivery of services provided by its network of Automated Flight Service Stations has been contracted to Lockheed Martin. The competition will result in reduced operating costs, modernized services, and will provide continued high quality service in a cost effective manner. The A-76 initiative, since its inception, is expected to result in an estimated savings of \$2.2 billion over 10 years.

For the second year in a row we received the Advancing Government Accountability's prestigious Certificate of Excellence in Accountability Reporting for our 2004 Performance and Accountability Report. That financial report also won a Gold Award in the 2004 Vision Awards competition sponsored by the League of American Communications Professionals. We scored second in the Government category and ranked 156 out of the 1,436 total private and public sector annual report entries from 17 countries. For the fourth consecutive year, the FAA received an unqualified ("clean") audit opinion on our financial statements. When you consider that the FAA implemented a new financial management system and a new acquisition system in the same year and that we had no material weaknesses on our financial audit – this feat becomes a testament to the hard work and diligence of our financial management staff and staff from our lines of business, regions and centers.

Sidebar: Who We Are Is What We Stand For

- The **MISSION** of the Federal Aviation Administration is to provide the safest, most efficient aerospace system in the world.
- Our **VISION** is to improve continuously the safety and efficiency of aviation, while being responsive to our customers and accountable to the public.
- We conduct our business in accordance with these **VALUES**:
 - **Safety** is our passion. We are the world leaders in aerospace safety.
 - **Quality** is our trademark. We serve our country, our customers, and each other.
 - **Integrity** is our character. We do the right thing, even when no one is looking.
 - **People** are our strength. We treat each other as we want to be treated.

Sidebar: How It Gets Paid For

The FAA gets most of its money to operate the air traffic system, its safety programs, and its capital investments from the Airport and Airway Trust Fund, which is fueled by a tax on airline tickets. Unfortunately, the surplus in the Trust Fund is lower than it's ever been. A significant gap exists between the tax receipts and what it costs the FAA to run the system. The FAA already is hard at work to control costs, including consolidation and a reduction of

staffing by some 15 percent over the last 12 years. Even at that, labor costs continue to increase.

All the while, the Trust Fund continues to show the wear and tear of maintaining the world's largest and most complex air traffic control system. So what caused this problem? There are many factors. Since 9/11, we have experienced massive changes in the aviation industry. The airlines have moved away from the large, wide-bodied aircraft to smaller jets. The number of passengers continues to increase, but the number of aircraft carrying them has spiked considerably. And low-cost carriers drive down the price of a ticket, it spells trouble in the long run for the FAA's ability to pay the bills.

Long term, this puts the FAA in an untenable position. As air traffic continues to increase, the FAA's controllers, inspectors, and technicians have to handle the mounting workload without missing a beat. The need for services increases and operating costs increase, but the amount of money the FAA receives stays the same. As it now stands, there's no real link between the fee received for the service and the cost to provide the service itself. Unfortunately, the price of the ticket determines the size of the trust fund.

But what the FAA does need is a stable funding stream where the cost to provide a service is reflected in what's charged. The future depends on it. We will not be able to modernize the current aviation system and prepare for the future without it.

In April, the FAA convened a group of government, industry and Wall Street experts to analyze the problem and make suggestions on how to fix it. To learn more about the issue, see the Trust Fund fact sheet on line at www.faa.gov.

Sidebar: The Shape of Things to Come

More than 700 million people flew last year, and the number of passengers is expected to hit one *billion* by 2015. That's some busy airspace and some busy airports.

New types of aircraft are on the horizon – literally. SpaceShip One last year made the first flights designed to carry passengers into sub-orbit. Thousands have already lined up to buy tickets, even at \$100,000 each. Newer kinds of small aircraft, sometimes called “very light jets,” soon will take to the sky and make air taxis a way of life.

And for efficiency's sake, we know that small airports are an untapped resource. We've got to make them a bigger part of our system. There are more than 5,400 small airports in the United States, and 98 percent of our country lives less than a 30-minute drive from any one of them. We need to introduce more technology that takes advantage of the small airport.

What's more, passengers will want to have a flight experience that flows smoothly from “door-to-door” and seamlessly integrates security into the process. The question here: how do you make that happen with a growing list of security demands arising in a post-9/11 world?

This is a tall order, but the federal government has launched the Next Generation Air Transportation System plan to meet the need. This plan brings together the resources, plans and programs from several cabinet-level offices, including Defense, Commerce, Transportation, NASA, Homeland Security, and the White House Office of Science and Technology.

All of this puts a turbo-charger on the FAA's efforts to deliver a safe and efficient system for the future. At a time when the federal dollar is stretched thin, this plan is designed to make each of these groups work together, eliminating duplication, pooling resources, and making

the best use of brainpower. The aviation industry jumped at the chance to participate, and there's now a new Institute to enable them to join in the mix.

Where's this all going? The Next Generation Air Transportation system is designed to take aviation to and through 2025. The next generation plan is a smart way to operate. The plan incorporates the work of eight Integrated Product Teams – Agile Air Traffic, Airports, Environmental, Global Harmonization, Safety, Security, Situational Awareness, and Weather. There's much more at www.JPDO.aero.

Sidebar: The envelope, please....

No brag, just fact. In the past year:

- **WAAS Up:** Our Wide Area Augmentation System team received a prestigious annual aerospace laurel award from *Aviation Week & Space Technology* magazine for getting the system operational.
- **Indeed, hell hath frozen over:** The *Government Accountability Office* removed us from its “high risk” list for financial management. GAO heralded our implementation of Delphi, the new general ledger system.
- **We're #2! We're #2!** A *Harris Poll* reported a 77 percent positive public rating, a dramatic jump from 2001, when the FAA approval rating had dipped to 54 percent. The FAA was second among federal government agencies surveyed.
- **Strategy pays:** The Association for Strategic Planning honored the FAA with the *Richard Goodman Strategic Planning Award*: The ASP applauded our ability “to enable individuals and organizations to succeed through strategic thinking, planning and action.”
- **Nothing but Net:** The *American Consumer Satisfaction Index* cited the FAA website as one of the two most improved websites in government.

Sidebar: U.S. aviation by the numbers [perspective on complexity]*

Airports:	19,815
Active pilots:	749,834
Flight instructors:	89,396
Total number of aircraft:	319,549
FAA budget:	\$13,858,197,000
Pieces of equipment:	71,000
Square miles of airspace monitored:	17,017,092
Total commercial passengers:	688,000,000
Total commercial miles flown:	655,000,000
Air traffic control facilities:	617
Flights handled per day:	49,545
FAA air traffic controllers:	14, 577
FAA aviation safety inspectors:	4,563
FAA technicians:	5,860

***FAA Administrator's Fact Book (March 2005) and various FAA organizations**

Sidebar: FAA goals in a nutshell

- **Increased Safety.** Safety isn't just a public-interest priority; it's also an economic necessity. People fly only if they feel safe. They must trust the system and their trust must be upheld.
- **Greater Capacity.** Increasing capacity is a double-edged sword. Air traffic is increasing rapidly, but growth must not interfere with the passengers' abilities to reach their destinations on time. And this must not be done at the expense of the environment.
- **International Leadership.** Across the globe, aviation is a \$1.4 *trillion* business. Given our expertise in operating the world's largest and most complex system, it's clear that in the aviation industry, safety is our most vital national export. We will enhance America's leadership role by sharing expertise and new technologies with our international partners. We aim to raise the level of safety everywhere planes fly.
- **Organizational Excellence.** The men and women of the FAA are committed to achieving these goals. To do so, the FAA must be a world-class organization. This requires greater fiscal responsibility, stronger leadership, more cooperation, improved customer service, and performance-based management. Simply put, we need to operate like a bottom-line, cost-driven enterprise.

Sidebar: Recipe for a Flight Plan

The Flight Plan is the FAA's strategic plan for the FAA. Two years ago, the FAA asked its senior managers to set goals in four major areas: safety, capacity, international leadership, and organizational excellence. These goals and corresponding performance targets, objectives, initiatives were then sent to FAA employees for comment. In a move never taken by the agency before, the draft plan was sent to the FAA's stakeholders for their input. The result was a document that pointed the FAA in a direction that its customers and employees helped create. To make sure this was a plan that didn't just set out goals without the resources to achieve them, the plan contained only items for which the agency had budgeted.

The agency's senior management team meets each month to assess progress. At the end of the first year, the agency had achieved 24 out of 30 goals. The agency updated the Flight Plan through the same process. Some goals were changed as aviation itself changed; others were completed tasks.

Sidebar: Stacking the deck? Not hardly.

The headline in *USA Today* said simply, "Planes will soon fly stacked more closely." Then, seven paragraphs later, this: "Don't worry," says Steve Entis, an air traffic controller. "You are safe, and the planes are separated properly."

Admittedly, "stacked more closely" is more than just a bit of hyperbole, especially since reduced vertical separation minima still calls for 1,000 feet at the very high altitudes in which the airlines and high-performance business jets fly. Before last January, anything above 29,000 feet had to be 2,000 feet apart vertically. With this new procedure, we've doubled the available jet lanes without compromising safety.

For the public, the move is invisible. For the airlines, which battle at the pump every day, the fuel savings are expected to reach \$5 *billion* through 2016.

It's a safety move as well, as now controllers will have greater flexibility to guide airplanes away from bad weather.

Controllers like it. Pilots like it. It's safe. It's efficient. It's an idea whose time has come.

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INCREASED SAFETY

Goal: To achieve the lowest possible accident rate and constantly improve safety.

Overview

Safety comes first. It's our primary mission, and our efforts to boost safety are paying off. Last year, we achieved the lowest commercial fatal accident rate in aviation history. This year, it's even lower.

How this happened is no accident. The FAA continues to develop and launch new technologies that will lower the number of accidents overall, while improving a safety record that's second to none. We're taking a "systems approach" to safety and identifying causes by looking at trends over a period of years. In so doing, we've improved our risk management practices by collecting and analyzing data to find problems and prevent accidents before they occur. What's more, we're not going it alone. We continue to partner with industry to reduce the commercial accident rate, improve runway safety, and extend the excellent safety record of commercial space transportation.

We made a special commitment to the safety of general aviation in Alaska, where heavy reliance on air transportation in an unforgiving environment has led to an unacceptably high general aviation accident rate. We launched innovative safety programs such as Capstone, Alaska weather cameras, the Rural Alaska Lighting Program, and the Medallion Program that reduced the number of accidents. The results last year were dramatic. We experienced 99 accidents in Alaska in fiscal year 2004, an almost 20 percent improvement from the previous year.

Success in Alaska has led to safety improvements throughout the lower 48 as well. For this reason, in this edition of the Flight Plan, we're combining the objective and target to reduce Alaska accidents with the overall objective to reduce general aviation accidents.

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INCREASED SAFETY

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Reducing accidents in Alaska will remain a key strategy in reducing general aviation accidents as a whole.

This year's Flight Plan also highlights a specific rulemaking initiative for fuel tank safety. In addition, we've broadened the language to stress advancing key safety rulemakings. We will list specific rules as strategic activities in the annual business plans for each FAA organization, updating them as progress is made and new priorities emerge.

We are adding a new initiative to develop an EnRoute/TRACON event risk categorization model, which will be used to categorize the severity of operational errors. The model will provide an overall safety metric for En Route and TRACON airspace. In plain terms, this helps us learn from our mistakes. By being able to measure the precise nature and circumstances of these errors, we aim to lessen their occurrence.

We've also moved some initiatives from the Flight Plan into annual organizational business plans. For example, now that we developed streamlined processes for certifying and approving communications, navigation, and surveillance equipment, basic cockpit displays, electronic flight bags, and other safety related flight technologies, we placed the day-to-day application of these processes in the business plan for the FAA's Office of Aviation Safety.

Finally, with the help of our stakeholders this past year, we completed our objective to develop a Composite Safety Index. We will now use this index to assess the overall level of aviation safety and to highlight areas where we need to concentrate more effort. The final proposal will be submitted to the Administrator by the end of August.

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INCREASED SAFETY

Goal: To achieve the lowest possible accident rate and constantly improve safety.

Top SAFETY Accomplishments

- Last year we reported the lowest airline fatal accident rate in the history of aviation. This year, it's even lower. We continued to expand the Air Transportation Oversight System to new carriers, including Champion Air, FedEx, and UPS. Through data collection and analysis, FAA inspectors are better able to target areas for improvement and prevent accidents before they occur.
- Another repeat performance for the FAA in the arena of commercial space transportation: No fatalities or serious injuries to the public during either launch or reentry.
- We established two new maintenance Aviation Safety Action Programs with Independence Air and Frontier Airlines, and a new flight crew program with CommutAir.
- Working with the FAA, the National Transportation Safety Board closed 27 air safety recommendations through June 30, 2005, with 25 closed in an "acceptable" status. That's an "acceptable" closure rate of 92.6 percent. Our goal was 80 percent.
- We continued to improve runway safety. We raised design standards for over 40 runway safety areas. By focusing attention on driver training and improving signing and marking, we reduced runway incursions caused by vehicles and people.

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INCREASED SAFETY

Goal: To achieve the lowest possible accident rate and constantly improve safety.

Objective 1. Reduce the commercial airline fatal accident rate.

Strategy

Continue the evolution toward a performance-based National Airspace System (NAS) by using a space-based navigation system and onboard technologies that allow aircraft greater flexibility to navigate airspace more safely, efficiently, and in a more environmentally sound way than the current ground-based navigation system.

Initiative

- Implement the performance-based navigation roadmap by using and developing Area Navigation (RNAV) and Required Navigation Performance (RNP) routes and procedures.

Strategy

Address safety concerns and issues, expand cost-effective safety oversight and surveillance, and continue research into the causal factors of accidents.

Initiatives

- Send critical safety rules to OST within 90 days of planned date.
- Address the National Transportation Safety Board's identified safety issues.
- Ensure that safety oversight keeps pace with changes occurring in the aviation environment by targeting our inspections resources better, improving our oversight systems, and providing training for safety critical employees on time.
- Implement FAA's Office of Aviation Safety ISO: 9001 single certificate.
- Continue research to identify human factors that may cause accidents and develop strategies, methods, and technologies that will reduce those accidents.
- Identify and implement activities designed to streamline and improve the Notice to Airmen process.
- Where practical, upgrade runway safety areas to meet standards.

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Strategy

Promote and expand safety information sharing efforts, including FAA-industry partnerships and data-driven safety programs that prioritize and address risks before they lead to accidents.

Initiatives

- Promote national data sharing and analysis programs in support of the future Next Generation Air Transportation System (for example, Voluntary Aviation Safety Information Program (VASIP), Flight Operational Quality Assurance (FOQA), Aviation Safety Action Program (ASAP), and Continued Operational Safety Program (COSP)).
- Continue implementing the Air Transportation Oversight System.
- Continue implementing Commercial Aviation Safety Team (CAST) initiatives.
- Improve the safety of transporting hazardous materials by air.

Performance Target

- Reduce the airline fatal accident rate by 80 percent from the 1994-1996 baseline to a three-year rolling average rate of 0.010 per 100,000 departures by FY 2007.
- Reduce the three-year rolling average fatal accident rate below 0.010 per 100,000 departures by FY 2010.

Objective 2. Reduce the number of fatal accidents in general aviation.

Strategy

Implement technologies and systems that will help pilots operate aircraft as safely as possible.

Initiatives

- Continue delivery of dependent surveillance to key sites. Provide text and graphical data through programs such as Automatic Dependent Surveillance-Broadcast/Traffic Information Service-Broadcast, and Flight Information Service Broadcast to the cockpit through flight information services. Increase

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situational awareness by improving the capabilities of small aircraft with integrated displays, data-link, and traffic information.

- Develop and publish Wide Area Augmentation System (WAAS) approaches.

Strategy

Establish standard procedures and guidelines for general aviation operators.

Initiatives

- Ensure that safety oversight and regulatory compliance keep pace with changes in the general aviation environment.
- Continue to implement General Aviation Joint Steering Committee initiatives.
- Continue research to identify human factors that may cause accidents and develop strategies, methods, and technologies that will reduce those accidents.
- Develop policies, procedures, and approval processes to enable operation of unmanned aerial vehicles (UAVs).
- By FY 2009 and working with industry, develop and baseline a target rate for general aviation fatal accidents to replace the current performance measure.

Strategy

Expand and accelerate implementing safety and air navigation improvement programs in Alaska.

Initiatives

- Achieve full operational capability of WAAS.
- Expand the Capstone Program as part of the NAS through a phased approach starting with Bethel, Southeast Alaska, and a comprehensive analysis of statewide implementation.
- Continue to optimize weather camera benefits and explore alternative technologies to provide or expand similar data and real-time images to the aviation community and other government entities (U.S. and foreign).
- Support the Medallion and Circle of Safety programs.

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- Improve rural airports thereby permitting 24-hour Visual Flight Rules (VFR) access. (ARP) In many rural communities, the airport provides the only year-round access. Because there are no roads linking these communities to larger cities, the airport needs to provide year-round transportation of people, food, supplies, and medical assistance/transportation when necessary.
- By FY 2009, establish an improved statewide public RNP/RNAV WAAS enabled route structure where supported by WAAS.

Performance Targets

- By FY 2009, reduce the number of general aviation and nonscheduled Part 135 fatal accidents to no more than 319 (from 385, which represents the average number of fatal accidents for the baseline period of 1996-1998).
- By FY 2009, reduce accidents in Alaska for general aviation and all Part 135 operations from the 2000-2002 average of 130 accidents per year to no more than 99 accidents per year.

Objective 3. Reduce the risk of runway incursions.

Strategy

Identify and reduce runway incursion collision risks.

Initiative

- Improve training, procedures, evaluation, analysis, testing, and certification to reduce the risk of runway incursions resulting from errors by pilots, air traffic controllers, and airport authorized pedestrians, vehicle operators, tug operators, and mechanics conducting aircraft taxi operations.

Strategy

Modify and improve existing surface movement infrastructure.

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Initiatives

- Install Airport Surface Detection Equipment-Model X (ASDE-X) and retrofit of ASDE-X equipment capability into selected Airport Movement Area Safety System (AMASS) installations.
- Continue developing, testing, evaluating, and deploying runway status lights at AMASS and ASDE-X airports.

Strategy

Use advanced modeling and simulation tools to design and develop new equipment, procedures, and training.

Initiatives

- Integrate cockpit and tower cab simulation facilities.

Performance Target

- By FY 2009, reduce the number of Category A and B (most serious) runway incursions to no more than 27, equivalent to a rate of 0.390 per million operations.

Objective 4. Ensure the safety of commercial space launches.

Strategy

Continue developing tools, guidance, and regulations for reducing the safety risks for commercial space launches, including those involving crew and passengers.

Initiatives

- Establish processes and standards for granting safety approvals of launch and reentry vehicles, safety systems, processes, services and/or personnel.
- Enhance safety for launch at federal and non-federal launch sites through continued improvement of internal processes and partnerships with the Air Force, other government agencies, and the commercial space transportation industry.

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INCREASED SAFETY

Goal: To achieve the lowest possible accident rate and constantly improve safety.

- Develop rules and guidelines to enable human space flight participation and experimental suborbital reusable launch vehicle operations.

Performance Target

- No fatalities, serious injuries, or significant property damage to the uninvolved public during licensed space launch and reentry activities. (AST)

Objective 5. Enhance the safety of FAA's air traffic systems.

Strategy

Identify and reduce operational error collision risks and influence their reduction.

Initiatives

- Modify the evaluation process to facilitate the reduction of operational errors.
- Conduct Airspace Complexity Studies at selected facilities to identify measures of airspace complexity and develop recommendations to reduce errors.
- Provide pilots with safe access to the NAS by analyzing and disseminating aeronautical and meteorological information to pilots and controllers through innovative systems.
- Develop EnRoute/ Terminal Radar Approach Control (TRACON) event risk categorization model.
- Evaluate the use of high fidelity simulation to improve ATC training for local facilities.

Strategy

Design, develop, and implement a SMS that complies with the International Civil Aviation Organization's (ICAO) requirements and applies a system safety approach to the FAA's delivery of air traffic services.

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INCREASED SAFETY

Goal: To achieve the lowest possible accident rate and constantly improve safety.

Initiatives

- Implement Safety Risk Management (SRM) using a phased approach with initial implementation focusing on targeted NAS changes.
- Implement SRM processes FAA-wide to assess safety risk and to monitor effectiveness of safety risk-mitigation strategies.
- Expand the collection, consolidation, and analysis of safety data to enhance reporting and assessment.

Performance Target

- By FY 2009, reduce the number of Category A and B (most serious) operational errors to no more than 563, equivalent to a rate of 3.18 per million activities.

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GREATER CAPACITY

Goal: Work with local governments and airspace users to provide capacity in the United States airspace system that meets projected demand in an environmentally sound manner.

Overview

Capacity is what keeps the system moving -- it's both a priority and a necessity. With traffic bouncing back after 9/11 and continuing to increase, we are feverishly working to keep air travel seamless and on time. However, we can't control the weather or its impact as it ripples through the system. And we can't control traffic volume -- that's a function of demand in the marketplace. But we can prepare for both. That's why we're working with the airlines, local governments, and all airspace users to develop solutions that meet current and future capacity needs. The entire process is meant to be absolutely transparent to the passenger, and that's as it should be.

This year, we've worked with our industry and government partners to deliver two key technologies: Domestic Reduced Vertical Separation Minimum (DRVSM) and Advanced Technologies and Ocean Procedures. DRVSM alone is expected to result in fuel savings for the airlines that could reach \$5 billion through 2016. These two technologies helped the airlines participate in reduced separation standards. This allowed them to fly more aircraft in a given airspace and the most fuel efficient routes -- safely. The FAA is working to increase the number of flights at America's top airports by one percent per year, primarily by opening new runways. This year, we'll be commissioning four new runways at some of our busiest airports, including Atlanta and Boston. No doubt, our airports will be able to increase arrival and departure rates. The challenge, however, will be to ensure that we keep pace with forecasted demand.

This edition of the Flight Plan no longer includes the Oceanic En-Route Change Request performance measure. Essentially, we didn't have enough data to draw effective

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conclusions. We found that oceanic operational metrics require better oceanic data, modeling, and analysis to forecast how increases in traffic volume affect oceanic metrics. Even though more requests for altitude changes were being granted than in the past, the number of requests were increasing at a faster rate. Consequently, the performance measure defined as a percentage was always lagging. Rather than have this measure serve as a major objective for the agency, we'll focus on full implementation of the Advanced Techniques and Oceanic Procedures software and develop sound, base lined metrics.

Planning for future capacity needs is what the Next Generation Transportation System – affectionately known as NGATS – is all about. We've brought together groups from across government and industry to design, develop, and deliver a completely new air transportation system. *[See sidebar on pages 6-7 for more information.]* Our Integrated Product Teams – Airports, Environmental, Safety, and Global Harmonization – have specified how they are supporting the Flight Plan with initiatives throughout the whole plan.

Top CAPACITY Accomplishments

- After several years of careful preparation with industry, the Governments of Canada and Mexico, airports, and our unions. We implemented Domestic Reduced Vertical Separation Minimum – DRVSM – on January 20, 2005.
- On June 6, 2005, the New York Air Route Traffic Control Center completed the first operational testing of the Advanced Technologies and Oceanic Procedures. This technology will allow more planes to fly safely over the ocean and increase capacity.

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- We published 30 Area Navigation (RNAV) arrivals and departures, meeting our target. We made progress redesigning terminal airspace at Los Angeles International Airport to increase capacity.
- We published a final rule establishing a pilot program for streamlining Passenger Facility Charge (PFC) requests from non-hub airports. The pilot program reduces the processing time for PFC requests from 120 days to 30 days for these airports. The final rule also includes streamlining provisions that will benefit all categories of airports collecting PFCs.
- For controllers, we deployed state-of-the-art software – STARS – at 10 sites. We even deployed them by June 2005, three months ahead of schedule.
- Two pieces of advanced software to enhance efficiency and capacity were deployed as well. The user request evaluation tool, which enables controllers to assess new altitudes or changes in course instantly, is now up and running at 13 sites. The traffic management advisor, which funnels high altitude aircraft into large airports, is in operation at seven sites.

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GREATER CAPACITY

Goal: Work with local governments and airspace users to provide capacity in the United States airspace system that meets projected demand in an environmentally sound manner.

Objective 1. Increase capacity to meet projected demand.

Strategy

Evaluate existing airport capacity levels and set investment and infrastructure priorities.

Initiatives

- Update the Future Airport Capacity Team (FACT) Report titled "Capacity Needs in the National Airspace System."
- Establish priorities for infrastructure investments to maintain existing capacity in a cost-effective manner.
- Provide operational support for new runway construction.
- Support master plans for airfield improvements at the 35 Operational Evolution Plan (OEP) airports (not located in the congested metro areas).
- Ensure that all necessary activities are accomplished to meet new OEP runway capability commitments established in partnership with stakeholders. (
- Support environmental processing of airfield improvements for projects selected under the President's environmental streamlining executive order and support *Vision 100* environmental streamlining at the 35 OEP airports (not located within the congested metro areas).

Strategy

Improve airway access to existing capacity through operational and procedural changes.

Initiatives

- Redesign terminal airspace and change procedures.
- Implement the performance-based navigation roadmap by using and developing Area Navigation (RNAV) and Required Navigation Performance (RNP) routes and procedures.

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GREATER CAPACITY

Goal: Work with local governments and airspace users to provide capacity in the United States airspace system that meets projected demand in an environmentally sound manner.

- Utilizing a newly created intra-agency team, develop recommended standards and action plans for runway procedures, such as end-around taxiways, and establish databases and data collection tools to improve airport flight operations, while maintaining an optimal balance among safety, capacity, and efficiency considerations.
- Enhance NAS performance for 35 OEP airports through advanced engineering and program support.

Strategy

Improve bad weather departure and landing capacity with new technologies and procedures.

Initiative

- Capitalize on Spring/Summer Plan data, developed in partnership with the airlines and other segments of aviation, to improve traffic flow in bad weather.
- Develop and implement RNP approach procedures to increase airport and runway use when visibility is restricted.
- Implement Precision Runway Monitor and RNP Parallel Approach Transition.
- Increase airport capacity through the use of Traffic Management Advisor. (ATO)
- Identify and implement procedures and technology to improve the dissemination of weather information to pilots and controllers.
- Develop an FAA weather index to better quantify and improve our on-time performance during good and bad weather.

Strategy

Modify separation standards and procedures to allow more efficient use of congested airspace.

DRAFT

GREATER CAPACITY

Goal: Work with local governments and airspace users to provide capacity in the United States airspace system that meets projected demand in an environmentally sound manner.

Initiative

- Conduct research to improve safety and increase throughput through wake turbulence monitoring, operational procedures, and controller tools.

Strategy

Meet the new and growing demands for air transportation services through 2025.

Initiatives

- Develop a consolidated modernization plan focused on the transition to the Next Generation Air Transportation System (NGATS).
- Ensure that the environmental approach for capacity expansion is compatible with the road map developed by the Environmental Integrated Product Team (IPT) for NGATS.
- Develop Airports Integrated Product Team road map in support of NGATS.

Performance Targets

- Achieve an average daily airport capacity of 104,338 arrivals and departures per day by 2010 at the 35 OEP airports.
- Open as many as seven new runways, increasing the annual service volume of the 35 OEP airports by at least 1% annually, measured as a five-year moving average, through 2010.
- Sustain adjusted operational availability at 99.5% for the reportable facilities that support the 35 OEP airports through FY 2010.

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GREATER CAPACITY

Goal: Work with local governments and airspace users to provide capacity in the United States airspace system that meets projected demand in an environmentally sound manner.

Objective 2. Increase or improve aviation capacity in the eight major metropolitan areas and corridors that most affect total system delay. For FY 2006, those areas are: New York, Philadelphia, South Central Florida, Chicago, Washington/Baltimore, Atlanta, Los Angeles Basin, and San Francisco Bay Area.

Strategy

Identify airport improvements that are most likely to reduce the major causes of system delay.

Initiatives

- Monitor and maintain scheduled progress for Environmental Impact Statements at Washington Dulles, new South Suburban, Ft. Lauderdale, and Philadelphia Airports (located within the congested metro area). (ARP)
- Support master plans for airfield improvements at OEP airports (located within the congested metro areas).
- Conduct regional studies in the New York, New England, and Los Angeles metropolitan areas.
- Direct Airport Improvement Program (AIP) funding to reduce capacity constraints of secondary and reliever airports located within those metropolitan areas.
- Work with the aviation community to establish the most feasible policies to enhance capacity and manage congestion.
- Update which metropolitan areas we project will have the greatest impact on the total system for delays over the period of the Flight Plan.

Strategy

Redesign the airspace and traffic flows.

Initiatives

- Redesign the airspace of eight major metropolitan areas: New York, Philadelphia, South Central Florida, Chicago, Washington/Baltimore, Atlanta, Los Angeles Basin, and San Francisco.
- Expand use of time-based metering at air traffic control centers.

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GREATER CAPACITY

Goal: Work with local governments and airspace users to provide capacity in the United States airspace system that meets projected demand in an environmentally sound manner.

Performance Targets

- Achieve an average daily airport capacity for the eight major metropolitan areas at 51,700 arrivals and departures per day by 2010.

Objective 3: Increase on-time performance of scheduled carriers.

Strategy

Promote use of automated systems that provide more accurate and timely information for all system users.

Initiative

- Improve on-time performance and operator and passenger access to information through the use of Traffic Flow Management (TFM), Traffic Management Advisor (TMA), and Collaborative Decision Making (CDM) capabilities.

Strategy

Restructure airspace to ensure efficient traffic flow between oceanic and domestic airspace.

Initiatives

- Use new equipment and technology to reduce en-route congestion.
- Implement high-altitude airspace redesign to reduce congestion.
- Reduce oceanic separation in the Pacific.
- Develop ocean capacity metrics and targets for FY 2007 and the out years, through the use of a comprehensive Advanced Technologies and Oceanic Procedures (ATOP) data collection and analysis capability and oceanic simulation and modeling capability.

Performance Target

Through FY 2009, achieve an 87.4% on-time arrival for all flights arriving at the 35 OEP airports, no more than 15 minutes late due to NAS related delays.

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GREATER CAPACITY

Goal: Work with local governments and airspace users to provide capacity in the United States airspace system that meets projected demand in an environmentally sound manner.

Objective 4: Address environmental issues associated with capacity enhancements.

Strategy

Develop better technologies and analytical tools to evaluate aircraft noise and emissions.

Initiatives

- Conduct research and develop, verify, and validate analytical tools to better understand the relationship between noise and emissions and different types of emissions, and to provide the cost benefit analysis capability necessary for data-driven decision making.
- Along with stakeholders, increase aircraft noise and emissions mitigation activities at the new environmental Center of Excellence.
- Determine feasibility and cost/benefit of implementing Continuous Descent Approach (CDA) procedures in the National Airspace System.

Performance Targets

- Reduce the number of people exposed to significant noise by 1% per year through FY 2010, as measured by a three-year moving average, from the three-year average for calendar years 2000-2002.
- Improve aviation fuel efficiency per revenue plane-mile by 1% per year through FY 2010, as measured by a three-year moving average, from the three-year average for calendar years 2000-2002.

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INTERNATIONAL LEADERSHIP

Goal: Increase the safety and capacity of the global civil aerospace system in an environmentally sound manner.

Overview

The United States sets the pace internationally for aviation, and our goal is to keep it that way. We promote aviation safety across the globe. The FAA's air traffic management system handles almost half of the world's air traffic, certifies more than two-thirds of the world's large jet aircraft, and provides direct or indirect aviation assistance to over 100 countries. Every day, 130 domestic and 118 scheduled international air carriers serve the United States. U.S. industry is the leader in developing and implementing new technologies to create a safer, more efficient global airspace system. We are also the largest contributor of technical and financial support to ICAO, which represents 188 of the world's civil aviation authorities and sets the international aviation standards.

The FAA continues to advance safety internationally by broadening our strategic partnerships, providing targeted technical assistance, and promoting harmonized safety solutions. We work with aviation partners and ICAO to promote common safety standards and interoperable air traffic procedures and technologies such as RVSM, RNP, and Global Navigation Satellite Systems. We also work with organizations such as the European Aviation Safety Agency to facilitate the exchange of aeronautical products, technologies, and services.

In particular, the FAA will increase its aviation safety and technology activities with China, India, and Brazil. We also plan on opening up new international offices in India, South America, and the Middle East in 2006.

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INTERNATIONAL LEADERSHIP

Goal: Increase the safety and capacity of the global civil aerospace system in an environmentally sound manner.

This year, we've added a new performance measure and initiative in the Flight Plan to account for detailed safety and certification implementation work that must be accomplished to make bilateral aviation safety executive agreements effective. This will give us a better picture of the steps necessary to accomplish safety work.

In this edition of the Flight Plan, we modified our initiative to implement Presidential International Civil Aviation Safety Programs for Africa, Asia, the Americas, and the Middle East. We removed the specific geographic regions to allow for commitment to broader Administrative initiatives. The initiative now stresses supporting the Administration's initiatives wherever they may be. We've also added a new initiative to promote environmental best practices to foreign aviation authorities in targeted regions. We want to encourage adoption of these practices through visits to U.S. communities and airports to see these practices in action.

Finally, we've added a new initiative to strengthen international collaboration on aviation safety funding for civil aviation infrastructure. This new initiative supports the external funding program and requires greater collaboration with international partners from other states. For example, the FAA is collaborating with the international community in Afghanistan to develop its capacity for safe aviation operations in compliance with international standards.

In sum, our reach extends to wherever planes fly. The FAA's ultimate objective is to ensure air travel is as safe and efficient abroad as it is at home. We're making significant progress toward making that happen.

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INTERNATIONAL LEADERSHIP

Goal: Increase the safety and capacity of the global civil aerospace system in an environmentally sound manner.

Top INTERNATIONAL Accomplishments

- We established effective partnerships with three Asian regional groups, as well as Greece, Argentina, Colombia, countries in the Caribbean, Central America, and the East African Community to ensure the highest level of safety in aviation operations, and worked to harmonize standards for fractional ownership with the European Civil Aviation Conference, Canada, and Mexico.
- The FAA and Australia signed an aviation safety agreement that provides for the exchange of aviation products between Australia and the United States.
- In Iraq, the FAA and DOD restructured the upper airspace and opened it up to international traffic. Air traffic management facilities for both Baghdad and Basrah are currently under reconstruction.
- In Afghanistan, we launched a Civil Aviation Advisory Team to get the war-torn system up and running.
- We established an Indian Aviation Cooperation Program, modeled after the very successful China government-industry partnership focused on aviation safety initiatives.
- The FAA worked with the Department of State to fund technical support for the Caribbean through the Regional Aviation Safety Oversight System. Most of these countries agreed to adopt regulations based on the Model Civil Aviation Regulations.

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INTERNATIONAL LEADERSHIP

Goal: Increase the safety and capacity of the global civil aerospace system in an environmentally sound manner.

- The FAA worked with Canada and Mexico toward the harmonized implementation of RNP and RNAV in the North America region.
- We continued to support the development of regional aviation safety organizations through work with seven civil aviation authorities in the Caribbean as well as Kenya, Tanzania, and Uganda.
- We've also assisting Kenya in developing new aviation regulations to meet international safety standards and signed agreements with Argentina and Colombia to support efforts aimed at maintaining compliance with international safety standards.
- Finally, the FAA exceeded its goal to raise \$13.7 million in financial assistance from U.S. government organizations and multilateral banks for international aviation infrastructure projects during FY 2005. By June 2005, over \$19 million was committed for initiatives to increase safety oversight, provide training, and aviation safety capacity building.

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INTERNATIONAL LEADERSHIP

Goal: Increase the safety and capacity of the global civil aerospace system in an environmentally sound manner.

Objective 1. Promote improved safety and regulatory oversight in cooperation with bilateral, regional, and multilateral aviation partners.

Strategy

Provide technical assistance and training to key developing foreign civil aviation authorities.

Initiatives

- Strengthen aviation safety oversight relationships and build strong, sustainable, mutually beneficial partnerships with key civil aviation organizations in Asia and the Americas.
- Implement civil aviation safety programs to support the Administration's initiatives.
- Support creation of government industry partnerships to facilitate the transfer of aeronautical products, services, and technologies to key developing regions.

Strategy

Work with key international partners to enable the transfer of aeronautical products, technologies, and services to promote civil aviation worldwide.

Initiatives

- Establish an effective partnership with the European Union and EASA to ensure the highest level of cooperation for aviation safety and an efficient exchange of products, services, and technologies.
- Negotiate bilateral agreements for safety, certification, and approval systems that enable technology transfer with global aviation partners.

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INTERNATIONAL LEADERSHIP

Goal: Increase the safety and capacity of the global civil aerospace system in an environmentally sound manner.

Strategy

Secure external funding for global safety initiatives.

Initiative

- Increase external funding from U.S. government, bilateral partners, multilateral banks, and industry to strengthen the global aviation infrastructure.

Strategy

Support ICAO and other international and regional organizations.

Initiatives

- Provide U.S. technical participation and leadership in ICAO meetings to achieve U.S. objectives. (API)
- Provide technical assistance, training, and external funding support in creating at least four regional aviation authorities or organizations capable of meeting globally accepted safety and efficiency standards.
- Increase recruitment of qualified U.S. technical personnel to fill positions at ICAO.
- Provide technical participation and leadership in the World Radio Communication Conference.

Strategy

Work with global partners and industry to develop and implement technologies and processes that enhance safety.

Initiative

- Seek global harmonization of fractional ownership regulatory policy.

Performance Targets

- Advance U.S. aviation safety leadership in developing regions by significantly increasing safety infrastructure in 10 priority countries by 2010 through

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INTERNATIONAL LEADERSHIP

Goal: Increase the safety and capacity of the global civil aerospace system in an environmentally sound manner.

- implementation of model law and regulations for safety oversight, extensive technical assistance and training activity, and concluding bilateral agreements.
- Conclude four Executive Agreements with bilateral partners by FY 2010.
 - Conclude three Implementation Procedures for Airworthiness with bilateral partners by FY 2010.
 - Conclude two Maintenance Implementation Procedures with bilateral partners by FY 2010.
 - Secure a yearly increase of 20% in external funding for international aviation activities from the United States and international government organizations, multilateral banks, and industry.
 - Advance the development of four new regional aviation authorities or organizations capable of meeting globally accepted safety standards by FY 2010.

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INTERNATIONAL LEADERSHIP

Goal: Increase the safety and capacity of the global civil aerospace system in an environmentally sound manner.

Objective 2. Promote seamless operations around the globe in cooperation with bilateral, regional, and multilateral aviation partners.

Strategy

Advocate the global implementation of the Air Traffic Management Operational Concept and promote harmonization and interoperability of emerging technologies to support enhanced global safety, capacity, and system efficiency.

Initiatives

- Encourage adoption of enabling technologies and processes, such as Global Navigation Satellite System (GNSS), to improve safety of flight operations.
- Develop and implement capacity enhancing applications, such as RNP/RNAV, embracing current operational capabilities to the maximum extent possible.

Improve interoperability of automation tools and operational procedures to increase user flexibility and efficiencies.

Develop and implement international strategy in support of the NGATS Global Harmonization IPT and work with civil aviation partners to implement the strategy.

Strategy

Work within the ICAO Committee on Aviation Environmental Protection (CAEP) to develop and adopt global environmental standards, best practices, and written guidance.

Initiatives

- Work with CAEP members to address interdependencies between aircraft noise and gaseous emissions, and between various emissions.
- Promote environmental best practices to foreign aviation authorities in targeted regions and encourage adoption of those practices.

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INTERNATIONAL LEADERSHIP

Goal: Increase the safety and capacity of the global civil aerospace system in an environmentally sound manner.

Performance Targets

- Expand the use of U.S. NAS technologies and procedures to five priority countries by FY 2010.
- Ensure that international environmental standards, recommended practices, and guidance material adopted by ICAO are technically feasible, economically reasonable, provide a measurable environmental benefit and take interdependencies between various emissions and between emissions and noise into account.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

Overview

The agency is delivering on its promise to become a world class organization. We've focused on meeting our goals. Most people's pay, from senior executives on down, is now tied to accomplishing our targets and initiatives in the Flight Plan and those in the organizational business plans that support it. We've also tied the plan to our budget. No initiative appears in this Flight Plan unless we are prepared to pay for it.

We've revised the Organizational Excellence goal to align more closely to the President's Management Agenda (PMA). The PMA comprises a number of programs and activities that are aimed broadly at improved agency performance. All elements of the PMA contribute to the Organizational Excellence goal. For this reason, we have expanded our focus under this Goal to include a specific initiative for each of the seven elements of the PMA. The seven elements are as follow:

Strategic management of

- Human capital;
- Competitive sourcing initiatives;
- Improved financial performance;
- Expanded electronic government;
- Budget and performance integration;
- Federal real property management; and
- Eliminating improper payments.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

This revamping, in addition to aligning our initiatives with government-wide requirements, renews our commitment to build strong leaders, improve financial management, performance, and customer satisfaction. We've improved our corporate training programs for employees to ensure that our most valuable assets have the proper tools and skills to help achieve the agency's mission. We've also made tough decisions to ensure that our work adds value and meets customer needs and expectations and is performed as cost effectively as possible.

Today, we survey more customers than ever before. Our new cost accounting systems and labor distribution reporting are allowing us to look at the costs of what we do and improve the value.

This plan takes into account the fiscal realities of the budget environment and our Trust Fund revenues. For the first time in agency history, we implemented a robust cost control program that requires organizations to examine priorities closely and then develop initiatives that achieve measurable cost reductions and savings. This year we're focusing on realizing efficiency and productivity gains. Through prioritization, planning, and measurement, we ensure that agency activities are aligned with the strategic direction set forth in the Flight Plan.

FAA employees responded to each of the last several agency-wide employee satisfaction surveys conducted by the agency with a strong message: We want information that's clear, timely, and on target. The agency subsequently conducted a top-to-bottom review

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

of its communications vehicles – everything from newsletters to web sites to broadcast e-mail. We discovered that there was way too much chatter. As a result, we created a separate organization dedicated solely to internal communications. We eliminated dozens of newsletters and reports. The agency's new newsletter – *FocusFAA* – is electronic and interactive. We've also implemented a new information hotline with messages tailored to employees according to their line of business. Each of these is more flexible and cost-efficient.

The FAA completely overhauled its web site and created a template for its organizations to follow as well. As a result, each FAA website has the same look and feel, and surfers are able to find information consistently and easily. Good things happened almost immediately. The U.S. Geological Survey and the Performance Institute named FAA's website as one of the top-10 best-managed sites in government.

FAA employees also told us that we needed to do more to quickly and efficiently prevent and resolve conflict in the workplace. We put together a team that studied best practices in private industry and across the government. They developed the new Early Dispute Resolution Center. It's being piloted in Headquarters, with the goal of expanding it across the agency. The Center will open its doors sometime in August.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

Top ORGANIZATIONAL EXCELLENCE Accomplishments

- For the second year in a row we received the Association of Government Accountants' prestigious Certificate of Excellence in Accountability Reporting for our 2004 Performance and Accountability Report. The same annual financial report also won a Gold Award in the 2004 Vision Awards competition sponsored by the League of American Communications Professionals. We scored second in the government category and ranked 156 out of the 1,436 total private and public sector annual report entries from 17 countries.
- In November 2004, the California-based Association for Strategic Planning recognized FAA as an organization "at the leading edge of strategic practice" with its 2004 Dr. Richard Goodman Strategic Planning Award. The prize honors continuing excellence in planning and stimulating innovation in the process.
- For the fourth consecutive year, the FAA received an unqualified clean audit opinion on our financial statements. When you consider that the FAA implemented a new core financial management system and a new acquisition system in the same year and that we had no material weaknesses on our financial audit – this feat becomes a testament to the hard work and diligence of our financial management staff and staff from our lines of business, regions, and centers.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

- We undertook the largest outsourcing competition at a non-defense agency in the history of the United States government. As a result, the network of Automated Flight Service Stations will be operated by Lockheed Martin. The competition will improve service, reduce operating costs, eliminate outdated technology, and save the taxpayer \$2.2 billion over 10 years.
- We held an Aviation Trust Fund Forum, in which representatives from government, the aviation community, academia, finance, and the international community discussed issues with the current trust fund structure and options for the future. The current Aviation Trust Fund authorization expires in 2007, and this was a first step in developing a proposal to replace it.
- We are achieving significant cost avoidance through effective management of the workers' compensation program. By centrally managing claims from Southern and Great Lakes Regions and Washington Headquarters, almost 70 individuals have been returned to duty, over 30 claims of questionable veracity have been denied, and several management-training sessions have been provided. As a result of these efforts, we have realized estimated one year cost avoidance in excess of \$4.8 million, which has already exceeded our Flight Plan target of one year cost avoidance of \$4.3 million.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

- In our pursuit to become more efficient and run the agency more like a business, we began the consolidation of our accounting operations from nine offices to one office in Oklahoma. Our accounting offices in the Southwest Region and the Alaskan Region were successfully consolidated on schedule. In addition, we consolidated some Headquarters accounting functions earlier than planned. We will resume the consolidation effort in November 2005 after our financial statement audit is completed, and we expect to meet the scheduled completion by the end of August 2006.

Objective 1: Make the organization more effective with stronger leadership, increased commitment of individual workers to fulfill organization-wide goals, and a better prepared, better trained, safer, diverse workforce.

Strategy

Use workforce planning to identify and fulfill current and future human capital needs to meet FAA's mission.

Initiatives

- Sustain and improve agency human capital planning and measurement processes.
- Implement and update the Air Traffic Controller Workforce Plan to support FAA's safety mission and meet external stakeholder requirements.
- Develop a technical workforce staffing and training plan.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

Strategy

Build stronger leadership to achieve strategic goals, manage people and resources effectively, and drive continuous improvement.

Initiatives

- Implement corporate policies to improve managerial selection and strengthen probationary requirements for managers.
- Establish corporate managerial training programs that ensure effective use of resources and alignment with agency goals.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

Strategy

Implement corporate systems, policies, programs, and tools to build a results-oriented, high performance workforce.

Initiatives

- Directly link all employee performance plans to their organization performance plan, and link both to the FAA's strategic goals.
- Undertake a timely and effective corporate approach to conflict management.
- Monitor and evaluate Employee Attitude Survey (EAS) Action Plan results.
- Implement corporate Labor-Management Relations strategies and best practices to improve engagement of the agency workforce and unions.

Strategy

Make strategic people investments and provide a professional workplace to attract, acquire, and retain a highly skilled workforce.

Initiatives

- In external recruitment efforts, implement corporate strategies that result in attracting high quality candidates to the FAA for employment.
- Expand the HR Selections Within Faster Time (SWIFT) automated suite to all mission-critical positions and those positions that cross organizational lines, i.e., finance, budget, human resources, and information technology.
- Improve the process for hiring air traffic controllers to ensure the agency has the capacity to achieve anticipated strategic staffing requirements.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

- Establish corporate employee training programs to build leadership competence within the FAA workforce, support professional development, and promote continuous learning.
- Implement an Employee Safety Management System to enhance FAA worker safety.

Performance Targets

- Increase Employee Attitude Survey scores in the areas of management effectiveness and accountability by at least 5% by FY 2010.
- Directly relate 100% of all employee performance plans to FAA strategic goals and their organization's performance plans.
- Reduce the time it takes to fill mission-critical positions by 25% over the FY 2003 baseline.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

Objective 2. Improve financial management while delivering quality customer service.

Strategy

Develop and implement an agency-wide cost control and cost reduction program.

Initiatives

- Maintain and improve the agency acquisition, accounting, and payroll and personnel systems, especially the attendant business processes, with the goal of providing timely and reliable financial information to FAA organizations.
- Each organization will develop and implement, in 2006, productivity and/or financial metrics to measure its efficiency.
- Each FAA organization will contribute at least one measurable and significant cost reduction and/or productivity improvement activity, including management of lost time, each year.
- Improve the overall management of cost-reimbursable contracts through the Defense Contract Audit Agency audit process.

Strategy

Improve financial performance.

Initiatives

- Document and test internal controls to help program and financial managers achieve results, in compliance with the Office of Management and Budget (OMB) Guidance.
- Reduce improper payments.
- Improve how we manage FAA's Real Estate assets.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

- Reform the way FAA is financed to provide stable, adequate funding more closely tied to FAA costs, services, and performance, in partnership with the aerospace community.
- Continue integrating performance information into budgetary decision-making and presentation.

Performance Targets

- Develop and implement a centrally managed cost control and productivity improvement program to lead the agency in reducing costs.
- Obtain an unqualified opinion on the agency financial statements (Clean Audit with no material weaknesses).

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

Objective 3. Make decisions based on reliable data to improve our overall performance and customer satisfaction.

Strategy

Better prepare managers to use cost and performance data in making decisions.

Initiatives

- Provide training to all current executives and managers on using FAA cost data, as derived from FAA's acquisition, accounting, and payroll and personnel systems, to make management decisions.
- Use automated software to track and report progress on Flight Plan initiatives and to establish the appropriate linkages and accountability for supporting initiatives in each line of business and staff office.

Strategy

Achieve elimination of FAA Air Traffic Control Modernization from the General Accountability Office's high risk list by FY 2008.

Initiatives

- Develop, document, and use investment criteria to manage major capital and research programs.
- Implement and improve program management processes to remain within acquisition cost and schedule baselines.
- Prepare sound business cases for major investment programs as directed by Office of Management and Budget's Capital Programming guide.

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ORGANIZATIONAL EXCELLENCE

Goal: Ensure the success of the FAA's mission through stronger leadership, a better trained and safer workforce, enhanced cost-control measures, and improved decision-making based on reliable data.

Strategy

Find faster, more efficient ways to collect and measure customer feedback and satisfaction.

Initiatives

- Communicate the goals of the Flight Plan to the FAA employees and the aerospace community and gain feedback that helps the FAA meet their needs. Give employees and stakeholders a clear line of sight from their jobs to the goals of the Flight Plan.
- Review customer requirements annually and measure customer satisfaction more broadly for FAA services.

Strategy

Improve the security of our data.

Initiative

- Improve how we protect FAA's information infrastructure using the agency's cyber-defense android concept, which is an advanced defense strategy.

Performance Targets

- By FY 2008, 90% of major system acquisition investments are within 10% of budget, and maintain through FY 2010.
- By FY 2008, 90% of major system acquisition investments are on schedule, and maintain through FY 2010.
- Close out 85 percent of eligible cost reimbursable contracts during each fiscal year.
- Increase agency scores on the American Customer Satisfaction Index.
- Achieve zero cyber security events that disable or significantly degrade FAA services.
- 100% of Capital Asset Plans and Business Cases (Exhibit 300's) receive a passing rating by the Office of Management and Budget.

ACRONYM DEFINITION

ACRONYM	DEFINITION
AIP	Airport Improvement Program
AMASS	Airport Movement Area Safety System
ASAP	Aviation Safety Action Program
ASDE-X	Airport Surface Detection Equipment-Model X
ATOP	Advanced Technologies and Oceanic Procedures
CAEP	ICAO Committee on Environmental Protection
CAST	Commercial Aviation Safety Team
CDM	Collaborative Decision Making
COSP	Continued Operational Safety Program
DOT	Department of Transportation
EAPAS	Enhanced Airworthiness Program for Airplane Systems
EAS	Employee Attitude Survey
EASA	European Aviation Safety Agency
EDRC	Early Dispute Resolution Center
ETOPs	Extended Range Twin Engine Operations
FOQA	Flight Operational Quality Assurance
FY	Fiscal Year
GNSS	Global Navigation Satellite System
ICAO	International Civil Aviation Organization
JPDO	Joint Planning and Development Office
JSC	Joint Safety Committee
NAS	National Airspace System
OEP	Operational Evolution Plan
PMA	President's Management Agenda
PRM	Precision Runway Monitor
RNAV	Area Navigation
RNP	Required Navigation Performance
RPAT	RNP Parallel Approach Transition
RVSM	Reduced Vertical Separation Minimum
SRM	Safety Risk Management
SMS	Safety Management System
SWIFT	Selections Within Faster Times
TFM	Traffic Flow Management
TMA	Traffic Management Advisor
UAV	Unmanned Aerial Vehicle
VASIP	Voluntary Aviation Safety Information Program
WAAS	Wide Area Augmentation System