



U.S. Department
of Transportation

**Federal Aviation
Administration**

Office of the Administrator

800 Independence Ave., S.W.
Washington, D.C. 20591

January 28, 2013

The Honorable Bill Shuster
Chairman, Committee on Transportation
and Infrastructure
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

As requested in the Federal Aviation Administration Modernization and Reform Act of 2012 (P.L. 112-95, Section 812), I am pleased to provide you our report detailing actions taken by the Federal Aviation Administration (FAA) under this section.

The enclosed report reflects our efforts to identify initiatives to make the FAA more effective and efficient, report findings, make recommendations, and establish plans of action required under this Section. All solutions reflect our commitment to eliminate waste, reduce duplication and redundant functions, and improve the efficiency and effectiveness of our policies and processes.

In total, we have identified 36 process improvement solutions that span across the FAA. Of these 36 projects, 16 have been implemented and are complete, while the remaining 20 are in progress.

We have sent identical letters to Chairmen Rockefeller, Senator Thune, and Congressman Rahall.

Sincerely,

Michael P. Huerta
Administrator

Enclosure



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January 28, 2013

The Honorable Nick J. Rahall, II
Committee on Transportation
and Infrastructure
House of Representatives
Washington, DC 20515

Dear Congressman Rahall:

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January 28, 2013

The Honorable John Thune
Committee on Commerce, Science,
and Transportation
United States Senate
Washington, DC 20510

Dear Senator Thune:

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January 28, 2013

The Honorable John D. Rockefeller, IV
Chairman, Committee on Commerce, Science,
and Transportation
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

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Federal Aviation Administration

FAA Modernization and Reform Act of 2012

Section 812 Report to Congress

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1. Executive Summary

The FAA Modernization and Reform Act of 2012, Section 812, requires the Federal Aviation Administration (FAA or the Agency) to undertake a thorough review of each program, office, and organization within the Agency to improve and update processes, eliminate duplication and waste, and make the Agency more efficient and effective. The FAA was then to take the actions necessary to address the issues found, using the authority granted under the Section, and report to Congress on the actions taken. This report is the culmination of the FAA efforts to identify initiatives for improvement, report findings, make recommendations, and establish plans of action required under the Section.

In support of this effort and in the spirit of continuous improvement, the FAA participated in a U.S. Department of Transportation (DOT) Process Improvement Campaign in April 2012, identifying process improvements originating from employee suggestions. In addition, FAA leaders conducted process improvement “listening sessions” with employees to define process improvement ideas. FAA promotes obtaining employee feedback on process improvement opportunities through traditional town hall sessions, the use of DOT’s IdeaHub platform for employees to suggest, rate and comment on ideas for improvement, as well as leadership-sponsored brown bag sessions where various levels of senior leadership and management meet with both management and non-management employees. FAA is committed to Secretary of Transportation Ray LaHood’s goal of making DOT a better place to work by focusing on improving our processes.

A senior official has been appointed in each DOT agency to provide oversight and accountability of agency-wide process improvement. Victoria Wassmer, FAA Assistant Administrator for Finance and Management, has been asked to serve as the Agency official for Process Change Management which includes providing leadership for the efforts required under Section 812. In this role, Ms. Wassmer has, and continues to lead, the efforts in the FAA to ensure ideas the Agency reviews, adopts or addresses are transparently disseminated to FAA employees and to DOT.

Our report is organized according to each FAA organization for which actions were identified for process improvement. We have highlighted 36 major projects and recommended solutions from across the FAA. Of the 36 projects listed, 16 are implemented and complete and 20 are in-progress. All of the implemented or in-progress initiatives identified in this report were completed or are presently being executed in FY 2012.

2. FAA Initiatives

The FAA Modernization and Reform Act of 2012, Public Law 112-95, Section 812, grants the FAA the authority to take actions to streamline and reform the FAA. The section establishes specific milestones for achieving these actions, including the submission of this report of actions taken by the Acting Administrator in response to the activities required in Section 812 of the Act. The following sections provide the results of the review of each program, office, and organization within the Administration; recommended actions proposed to address the review findings; and benefits expected to be achieved from these actions.

2.1 Office of Finance and Management (AFN)

2.1.1 Foundations for Success: Shared Services Optimization (Finance)

Problem	Finance functions are performed in many FAA organizations resulting in lack of standardized processes, inadvertent duplication of effort, lack of economies of scale, difficulty of oversight and cost control, and/or created unclear lines of authority and responsibility.
Solution	Certain financial functions previously performed in the Air Traffic Organization moved to the Office of the Chief Financial Officer to be performed for the entire Agency. Finance resources from the Regions and Center, Acquisitions, and Information Technology organizations moved to the Office of the Chief Financial Officer (CFO). A portion of the Office of Aviation Safety (AVS) workforce planning positions moved to the CFO as well. The CFO gathers input from a cross-organizational Budget Committee, and the CFO's authority to advise the Administrator on the Agency's overall funding priorities has been clarified.
Status	In-Progress
Expected Benefits	Increases efficiency, standardization, allows for more economies of scale, avoids duplication of effort and costs, and clarifies roles and responsibilities. Improved Agency ability to prioritize its spending and control costs at a corporate level. Moves organizations performing Agency-wide functions out of individual offices and into shared service organization.

2.1.2 Foundations for Success: Shared Services Optimization (Acquisitions)

Problem	FAA's Acquisition Executive is responsible for all of the FAA's acquisitions but was housed in the Air Traffic Organization (ATO). Having procurement Contracting Officers in different organizations made it difficult to efficiently distribute work, standardize processes, offer career paths, and share best practices and lessons learned.
Solution	Centralize Acquisition functions and identify areas of process improvements. All the procurement Contracting Officers moved into the Acquisitions and Business Services Organization.
Status	Implemented
Expected Benefits	Clarifies authority and responsibilities for acquisitions. Improves ability to efficiently distribute work, standardize processes, offer expanded career paths for contracting professionals, and share best practices and lessons learned.

2.1.3 Foundations for Success: Shared Services Optimization (Information Services/CIO)

Problem	There are duplicative information services, systems, and infrastructures making it difficult to integrate the information systems, achieve economies of scale, provide efficient server usage, and consolidate data processing facilities. It is also difficult to ensure adequate cyber security across multiple platforms and organizational boundaries. Multiple software development groups and toolsets exist.
Solution	Centralize Information Technology (IT) functions and establish Memorandums Of Agreements shifting the supervision of full-time IT professionals to the centralized information services organization.
Status	In-Progress
Expected Benefits	Will enable economy of scale acquisition of information technology and services, improve server usage and datacenter efficiency, and enable better control of costs. Will also foster improved cyber security and more agile acquisition of information technology and services. Additional benefits include common toolsets and reduced redundancy.

2.1.4 Foundations for Success: Shared Services Optimization (Service Level Agreements)

Problem	Customer organizations need a way to set levels of expected services to be rendered by their servicing organizations, especially when resources owned by the customer organization performed these functions previously. In addition, without common metrics for each functional area, it is difficult to determine whether measures taken to improve efficient operations are successful.
Solution	Establish Service Level Agreements (SLA) to define the services to be offered by this organization, the resources required, metrics that will be used, and consequences for achieving or failing to achieve the objectives in the agreements.
Status	In-Progress
Expected Benefits	SLAs will ensure effective service delivery from shared services via clear, robust enforcement mechanisms agreed upon by the customers and providers. Clarifies authority and responsibilities. The metrics will begin the formation of a baseline from which efficiencies can be measured.

2.1.5 Foundations for Success: Shared Services Optimization (Property Management)

Problem	Property Management responsibilities reside in many FAA organizations resulting in the potential for duplication of effort, reduced accountability, and inefficient distribution of work.
Solution	Consolidate Property functions into Regions and Center Operations (ARC) (Assets inventory and real property).
Status	Implemented
Expected Benefits	Improved accountability of real and personal property. More efficient use of scarce resources. Improved standardization of processes.

2.1.6 Foundations for Success: Shared Services Optimization (Administration Management)

Problem	Administration functions performed across the AFN organizations varied. This lack of standardization created difficulties in providing consolidated AFN reports.
Solution	The Administration functions within Employee Services, Operational Services, and Performance Management were centralized in the new AFN Administration and Field Integration organization. The administration staff from Acquisitions, Finance, Information Services, and Regions and Center Operations collaborated to identify administration management functions and implement process improvement activities.
Status	In-Progress
Expected Benefits	With the implementation of this new structure and improved processes, the organization has begun to realize more efficient processes, elimination of some redundant activities, and reduction in cycle time to complete activities.

2.1.7 Foundations for Success: Shared Services Optimization (Common Timekeeping)

Problem	Employees being transitioned into AFN from the ATO have been using a different timekeeping system and labor reporting system. However, all FAA employees use CASTLE for time card approvals. The use of two different systems creates challenges for managers and staff, including the potential for discrepancies in monthly reports.
Solution	Implement a common timekeeping system within AFN.
Status	Implemented
Expected Benefits	Reduction in time spent managing timekeeping activities, elimination of duplicative activities, and system related cost savings. Administrative efficiencies and integration with all AFN organizations to streamline policies and procedures. Full compliance with DOT requirements.

2.1.8 Records Management Reform

Problem	The FAA Records Management environment is out-of-date, lacks automation, and is not fully compliant with all National Archives and Records Administration requirements. Currently the Agency's processes for searching for documents in response to discovery requests, Freedom of Information Act (FOIA) requests, and other inquiries are largely manual, time consuming, and expensive.
Solution	Modernize records management via the Electronic Records Management and eDiscovery Initiative.
Status	In-Progress
Expected Benefits	Reduction in time and cost spent searching for records. Enhanced productivity of FAA Records Management officers/personnel; cost reduction from automation of process and archiving platforms; enhanced capability for eDiscovery and FOIA requests.

2.1.9 Cost Reductions

Problem	The Executive Order on efficient spending has identified opportunities to find savings through efficiencies in six targeted categories from a FY 2010 base line to FY 2013 actual obligations. The categories include: travel; communications (employee IT devices); printing and reproduction; advisory contracts; supplies and promotional items; and motor vehicles.
Solution	Implement a broad-based set of initiatives to reduce cost across FAA in support of the Executive Order on Efficient Spending.
Status	Implemented
Expected Benefits	Executing these reductions will allow the FAA to meet its budget targets for FY 2013, as well as the targets resulting from the Executive Order. In accordance with this order, the FAA believes it can achieve \$114 million reduction from the FY 2010 base. For example, between FY 2010 to FY 2011 FAA was able to implement about \$48 million in reductions, including a significant drop in travel spending. In addition, implementing efficiencies such as increased use of video conferencing, streamlined contracting, and strategic sourcing will allow for sustainable improvements beyond FY 2013.

2.1.10 Foundation for Success: Governance

Problem	A review of the FAA's cross-organizational executive committees showed inefficient use of executives' time with overlapping committees, unclear roles and jurisdictions of the committees, and in some instances no committees where cross-organizational collaborations is most needed.
Solution	Executive level committees were reviewed, consolidated, and streamlined; roles and responsibilities were clarified; a few new executive committees were created.
Status	Implemented
Expected Benefits	Cross organizational decision making improved, both in efficiency and quality; executive time commitment to committees was reduced.

2.1.11 Regional International Organization for Standardization (ISO) Implementation

Problem	There is a lack of standardization of each Region's Executive Operations Division key functional area processes and staffing inconsistencies.
Solution	Executive Operations will collaborate with the Office of the Regional Administrators to develop Standard Operating Procedures (SOP), implement ISO and conduct a staffing study.
Status	In-Progress
Expected Benefits	Standardized functional area processes and activities, reductions in redundant activities. Clarified roles and responsibilities and more economies of scale across the regions. Additionally, cross-regional expertise can be leveraged.

2.1.12 Cost/Price Analysis

Problem	Internal and Office of Inspector General (OIG) reviews of FAA acquisitions identified weaknesses in cost and price analysis.
Solution	Establish a Cost/Price Analysis Services group within Acquisitions to grow organizational expertise in cost/price analysis, through direct provision of cost/price analysis, training and performance support for Contracting Officers/Specialists, coordination with Defense Contract Audit Agency and Defense Contract Management Agency, and contracting for additional expertise to augment in-house capabilities.
Status	Implemented
Expected Benefits	Ensure fair and reasonable pricing, proper payments, cost savings through improved contracting practices, better stewards of taxpayer dollars.

2.1.13 Strategic Acquisitions

Problem	Strategic acquisition initiatives dispersed among multiple organizations, not fully leveraging savings possible and necessary to operate in a severely constrained budget environment.
Solution	Consolidate strategic sourcing, purchase card program, and other strategic initiatives into a new Strategic Acquisitions Organization whose primary focus is on defining and implementing innovative solutions to achieve cost savings and efficiencies in acquiring goods and services.
Status	Implemented
Expected Benefits	Achieve cost savings and efficiencies through innovative acquisition strategies.

2.1.14 FAA Academy iPad Pilot

Problem	In order to create a paperless efficient learning environment, while providing students easy access to thousands of pages of training materials, the FAA Academy needs portable, cost effective mobile devices that are reliable, secure, and easy to use. In addition to using mobile devices to create a paperless, efficient learning environment, the Academy needs to replace paper charts both as Electronic Flight Bags (EFB) in classroom training devices and in aircraft.
Solution	The Academy will use the iPad tablets to present course materials, training aids, and equipment documentation to students. The Academy will also use the devices as EFBs during training and in flight by Aviation Safety Inspectors completing event based currency to comply with FAA Order 4040.9. No information loaded on the device is sensitive in nature or contains Personally Identifiable Information (PII). The use of this device will assist the Academy in providing more versatile training as well as moving the organization closer to a paperless environment. This also responds to an employee's IdeaHub suggestion.
Status	In-Progress

Expected Benefits	The mobile tablet will provide an immediate return on investment (ROI) by the reduction of printing expenses. Additional cost savings will also be realized because fewer portable devices can support more training environments as demand requires, unlike the hardwired computer that is fixed at one location. By using the device as a training aid to enhance the learning experience, students will be more engaged and productive in the classroom. The Academy anticipates an increase in student-to-student and student-to-teacher interactivity due to the way different applications facilitates knowledge sharing.
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2.2. Office of Human Resource Management (AHR)

2.2.1. Foundation for Success: Back to Basics and Office of Human Resources Transformation

Problem	Based on feedback received through FAA senior leadership, it was evident the Lines of Business (LOB) and services/offices were not satisfied with the level of service they were receiving from Human Resources (HR).
Solution	HR continues to work with our line of business customers. Collaborated with customers to identify the 15 core HR functions considered critical to success. Surveyed customers in FAA's LOB to identify suggestions for improvements and to baseline current service to measure future improvements. Back to Basics meetings were held at all regional offices with HR management, staff, and LOB customers to discuss and validate the survey results. Implement changes to the identified HR processes to provide more consistency and better communication to customers.
Status	In-Progress
Expected Benefits	Better communication and delivery of HR services to the LOBs and services/offices.

2.2.2. Foundation for Success: HR Training

Problem	Few courses are centralized and it is suspected that there are many redundancies among and within the lines of business with regard to purchasing training. Lines of Business track and code training in different ways so a process is needed to gather appropriate data.
Solution	HR and the Training and Development Council conducted a training audit that identified redundancies in training efforts. HR is working together with the LOBs to explore cross pollination of training efforts between LOBs in order to ascertain potential cost effectiveness.
Status	In-Progress
Expected Benefits	Realize efficiencies and cost savings as a result of centralizing commonly procured courses. Promotes a consistent message with regard to leadership development. Training costs associated with leadership development are easily identified.

2.3 Office of NextGen (ANG)

2.3.1. Foundation for Success: NextGen Initiative

Problem	An assessment of the current state of NextGen, and the location and role of the NextGen office within the FAA showed that internal structures and operating models needed to improve in order to ensure successful implementation of NextGen.
Solution	<u>Processes</u> - improve the concept-to-program process to include program management best practices, enhanced transparency, and clear ties to the FAA Acquisition Management System (AMS). <u>Governance</u> – establish critical decision points throughout the concept-to-program process to elevate information for senior level decisions. <u>Operating Model</u> – establish an FAA NextGen staff office (via an appropriations reprogramming of the ATO NextGen office) to report directly to the FAA's Deputy Administrator.
Status	Implemented
Expected Benefits	Reduced transactional distance between NextGen and non-ATO lines of business. Enhances the NextGen organization's ability to set strategic direction, define operational requirements, make informed decisions, and work critical issues end-to-end across all FAA organizations.

2.3.2. Foundation for Success: NextGen Initiative

Problem	To effectively transform the National Airspace System (NAS) through NextGen activities FAA identified several deficiencies. FAA lacked: 1) an enterprise level perspective which made it difficult to introduce changes into the NAS; 2) sufficient presence of an oversight body with the expertise and authority to assess enterprise level requirements and recommend programmatic changes consistent with NextGen portfolio management; 3) a shared sense of urgency/priority for NextGen improvements.
Solution	Create a centralized organization (NAS Lifecycle Integration Directorate) to drive a NAS-wide focus for instituting changes to the NAS and to align with the NextGen Office enterprise stewardship and life cycle integration role.
Status	Implemented
Expected Benefits	Minimize the risk of cost overruns, rework, and delays in delivering significant NextGen programs. Improved flow of communication and increased understanding of priorities. Informed decision making in the assignment of priorities for long-term NAS modernization activities and immediate issues in program implementation.

2.3.3. Foundation for Success: NextGen Initiative

Problem	The FAA will not be positioned to meet the demands of transforming the NAS without a structured, coordinated, collaborative process to enable NextGen activities.
Solution	Refine and implement Ideas 2 Implementation (I2I) Process related initiatives to ensure cross Agency alignment on NextGen

	Implementation.
Status	In-Progress
Expected Benefits	Collaboration occurs across NAS initiatives by requiring involvement from key stakeholders throughout the end-to-end lifecycle and through cross-organizational capture teams. Integration occurs at an enterprise level and in the most cost-effective, expeditious manner. Supports trade analysis that includes legacy needs and programs to represent true NAS portfolio level trades. Improves work efficiencies by incorporating sustainment and future capability developments into one plan.

2.3.4. Foundation for Success: NextGen Initiative

Problem	Analysis of the FAA's current acquisition process reflected that it does not adequately manage the complexity and scope of NextGen programs and activities.
Solution	Institutionalize I2I process by developing supporting documentation to include the process improvements into the FAA Acquisition Management System (AMS).
Status	In-Progress
Expected Benefits	Enables the NextGen organization, with input from all FAA lines of business and staff offices, to manage a single point of entry for inclusion of ideas into the NAS Concept of Operations. Increases accountability through rigor that requires documentation for traceability of requirements from concept into programs and corporate decisions throughout the lifecycle.

2.4. Office of the Administrator (AOA)

2.4.1. Office of Audit and Evaluation Hotline Consolidation

Problem	Multiple data collection points existed for safety concerns and whistleblower contributions via the Safety Hotline, the Administrator's Hotline, the Public Inquiry Hotline, and the Safety Issues Reporting System (SIRS) that created duplicative roles and inefficient processes throughout the Agency, including consolidation and reporting of all contributions from the hotlines.
Solution	Consolidate hotline reporting functions to make interactions with Office of the Inspector General/Government Accountability Office/Office of Special Counsel (OIG/GAO/OSC) more productive.
Status	Implemented
Expected Benefits	Consolidation and realignment of the FAA's Office of Audit and Evaluation (AAE) and hotlines will augment AAE's visibility for both employees and external stakeholders (OIG/GAO/OSC), enhance Agency accountability for internally identified safety concerns, and reinforce the Agency's commitment to provide an independent, vital, and effective mechanism for addressing and resolving safety-related employee disclosures, whistleblower contributions, and employee workplace conflicts.

2.5. Policy, International Affairs & Environment (APL)

2.5.1. FAA Greening Initiative

Problem	The FAA has a large number of employees, buildings, facilities, and vehicles to support and maintain the NAS. In accordance with executive orders by both Presidents Obama and Bush as well as other Federal mandates, the FAA must improve the energy efficiency and stewardship of natural resources used to power these key elements of the Agency.
Solution	The Office of Environment and Energy (AEE) facilitates Agency-wide sustainability program that promotes energy efficiency increases and improved stewardship of natural resources, resulting in cost savings.
Status	In-Progress
Expected Benefits	The Greening Initiative will result in improved energy efficiency of FAA buildings and facilities (long term) and of vehicles and personal information technology equipment (short to medium term).

2.6. Office of Airports (ARP)

2.6.1. Geographic Balancing Effort

Problem	Field staff overload due to 96% increase in grants and safety workload, with only an 8% increase in staff positions.
Solution	Standardizing field office structure(s) and balancing field work load within the Office of Airports.
Status	In-Progress
Expected Benefits	Geographic balancing will increase frontline staffing to work directly with airport sponsors, with more effective support through greater specialization.

2.6.2. Standardization and Standard Operating Procedures (SOP) Development

Problem	Lack of standardization creates internal confusion, adds additional workload, and lacks corporate risk management.
Solution	Standardize the field operations by developing Standard Operating Procedures of core functions, allowing stakeholders to expect consistent delivery from region to region.
Status	In-Progress
Expected Benefits	Necessary efficiencies will be gained during thorough review and identification of SOPs that adopt best practices and follow regulatory requirements.

2.7. Security & Hazardous Materials Safety (ASH)

2.7.1. Security Awareness Virtual Initiative (SAVI) Pretest Training Option

Problem	Employees who took the annual SAVI Training wanted an opportunity to have an option to test out of the annual requirement that results in a more efficient manner of meeting this requirement.
Solution	ASH established a test out option for employees to complete this annual mandatory training. This pre-test option allows employees to certify they understand the core concepts and opt out of completing the traditional forty-five minute training. This option which takes about 10 minutes to complete helps to save time and money. This initiative also supports an IdeaHub suggestion to establish test out options across the Agency.
Status	Implemented
Expected Benefits	The majority of employees will be able to use the pre-test option, which allows them to meet this annual requirement and at the same time help to save time and money by using a more efficient process.

2.7.2. Safety Management System Integration

Problem	Currently AVS and ASH have two separate systems used to collect safety data. This results in duplicative programs and inefficiencies.
Solution	Collaborate with Flight Standards to integrate Hazardous Materials inspection data into a central safety management system.
Status	In-Progress
Expected Benefits	An integrated system will help to quickly identify possible safety concerns.

2.7.3. Emerging Role of ASH

Problem	Internal FAA customers have come to ASH requesting various activities which we believe are not within ASH's responsibilities. This may result in using resources on functions that are duplicated elsewhere within the FAA.
Solution	Review core functions to ensure they are properly aligned towards ASH's mission, business plan objectives, and Destination 2025 goals.
Status	In-Progress
Expected Benefits	A review of ASH's core functions will help to clearly focus activities and use resources efficiently on safety related tasks that align with our mission.

2.8. Office of Commercial Space Transportation (AST)

2.8.1. Reorganization

Problem	Increasingly varied and complex space launch systems and increased workload requirements demand that AST become more efficient in meeting its operational requirements.
Solution	Create a new division and staff offices; shift focus to specialized functions within divisions.
Status	Implemented
Expected Benefits	Focusing the work of each AST organization (and employee) on just one or two specialized topics increases skills and performance levels. This is expected to improve the overall efficiency of the organization and thus reduce requirements for additional budget resources to meet the increasing workloads.

2.8.2 Staff Relocations to Field Offices

Problem	AST inspectors and technical staff must travel from FAA HQ in Washington, DC, to perform their safety functions at the various space launch facilities across the United States. With an increasing number of launch sites and launch rates, this requires greater budgets for travel.
Solution	Move inspectors and engineering staff to field offices to reduce travel costs
Status	In-Progress
Expected Benefits	Travel costs associated with space launch inspections and safety oversight can be minimized by placing AST safety inspectors at or near the space launch sites.

2.9. Air Traffic Organization (ATO)

2.9.1. ATO Realignment: Project Management Office (PMO)

Problem	ATO System acquisitions were distributed throughout several operational service units. This required the operational offices to focus not only on their operations, but also on time-consuming acquisition processes. There was no mechanism for sharing of best-practices across service units.
Solution	The PMO was created to consolidate programs which were previously embedded in several air traffic offices. Placing the responsibility for the program management of major ATO system acquisitions into a single organization is facilitating work with the NextGen organization on NextGen related air traffic system acquisitions and their integration into air traffic operations. In addition, combining program managers in one organization creates a stronger acquisition community, improves consistency and sharing of best practices, creates economies of scale, and provides a better defined career path for program managers.
Status	In-Progress
Expected Benefits	Stronger Acquisition Community: Sharing best practices, economies of scale, and defined program management career-paths.

2.9.2. ATO Realignment: Safety & Technical Training

Problem	Safety and Technical Training for the entire ATO Operational workforce were conducted separately, and risk management was not well enough connected to ensure the development of a well-trained workforce.
Solution	Following industry best practices, Safety and Technical Training were aligned into one organization to help the Service Units identify risk better and maintain a well-trained workforce.
Status	Implemented
Expected Benefits	Improved risk management, improved training of the workforce.

2.9.3. ATO Realignment: Management Services

Problem	Strategic labor relations, human capital management, employee and organizational development, communications, business and administrative, fiscal prioritization and contract functions were distributed across all service units. There were many instances of duplicated or "shadow" services where service units performed functions that could better be conducted in a shared-services manner.
Solution	Strategy and Performance was transitioned into Management Services to combine redundant organizations into one location, and to provide shared business and administrative operations support. In addition some functions are being transitioned to the FAA Corporate Level. Management Services is the primary touch-point for non-technical activities between ATO and FAA. This includes strategic labor relations, human capital management, employee and organizational development, communications, business and administration, fiscal prioritization and contracts.
Status	In-Progress
Expected Benefits	Less redundancy, increased efficiency, consistency of service.

2.10. Office of Aviation Safety (AVS)

2.10.1. Unmanned Aircraft Systems Integration Office Stand-Up

Problem	Integration of Unmanned Aircraft Systems (UAS) into the NAS is a top agency priority and is a complex effort. The UAS work requires close coordination between the UAS offices in both the Air Traffic Organization and Aviation Safety and NextGen. Demands on FAA leaders and executives associated with UAS have grown exponentially. It is now imperative that the FAA have a single focal point for UAS to work integration issues.
Solution	Establish a new UAS Integration Office in Flight Standards dedicated to integrating UAS operations safely into the NAS within a NextGen context. Consolidate UAS management and resources in the Unmanned Aircraft Program Office (Flight Standards) and the UAS Group (Air Traffic Organization). Create a single focal point for UAS operations under the direction of one executive.
Status	In-Progress

Expected Benefits	<p>Articulate a consistent, unified vision and message with regard to UAS integration. Streamline decision-making and prioritization of the work. Consolidation of research requests will eliminate duplication of efforts and allow collaboration and harmonization of research activities.</p> <p>Focused participation in the UAS Executive Committee Senior Steering Group.</p>
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2.10.2. Office Consolidation

Problem	The Office of Safety Analysis (ASA) provided the data analysis capability while the Office of Accident Investigation (AIA) investigated the accidents, but FAA could more effectively mitigate safety risk if the functions were merged into one office..
Solution	The two offices were merged and their functions combined to create the Office of Accident Investigation and Prevention (AVP).
Status	Implemented
Expected Benefits	<p>Strengthens the management of AVS safety programs by providing the AVS Management Team (AVSMT) and AVS services and offices with safety risk analysis on high priority safety issues. Improved the connectivity and access to data/information and analytical capabilities. Increased ability to leverage skill sets and talents of AVS experts to more effectively address current and emerging risks.</p>

2.10.3. Office Closure

Problem	Flight Standards Service is examining its “international office footprint” to improve the efficiency of its service delivery.
Solution	Close London International Field Office (IFO). Office responsibilities transferred to Frankfurt IFO and IFO in NY.
Status	Implemented
Expected Benefits	With the consolidation of two offices into one location, efficiencies allowed a savings of \$3.15 million dollars a year.

2.11. FAA – Joint Resources Council (JRC) Review of investments

Problem	The FAA has not always systematically prioritized its investment decisions on capital projects and operations and maintenance requirements given competing funding demands for FAA resources.
Solution	Review acquisitions and FAA investment strategy to optimize the use of the funding received and anticipated.
Status	In-Progress
Expected Benefits	Agency funds for capital investments will be used for its highest priorities, to the extent within the Agency discretion.

3. Conclusion

The FAA is implementing its own process improvement initiatives and supporting the DOT to achieve efficiencies as anticipated through the FAA Modernization and Reform Act of 2012. In this report, we have defined a thorough review of our processes and programs, and have identified solutions and recommendations for implementation. In total, we have identified 36 process improvement solutions that span the organization. All solutions reflect our commitment to eliminate waste, reduce duplication and redundant functions, and to improve the efficiency and effectiveness of our policies and processes.