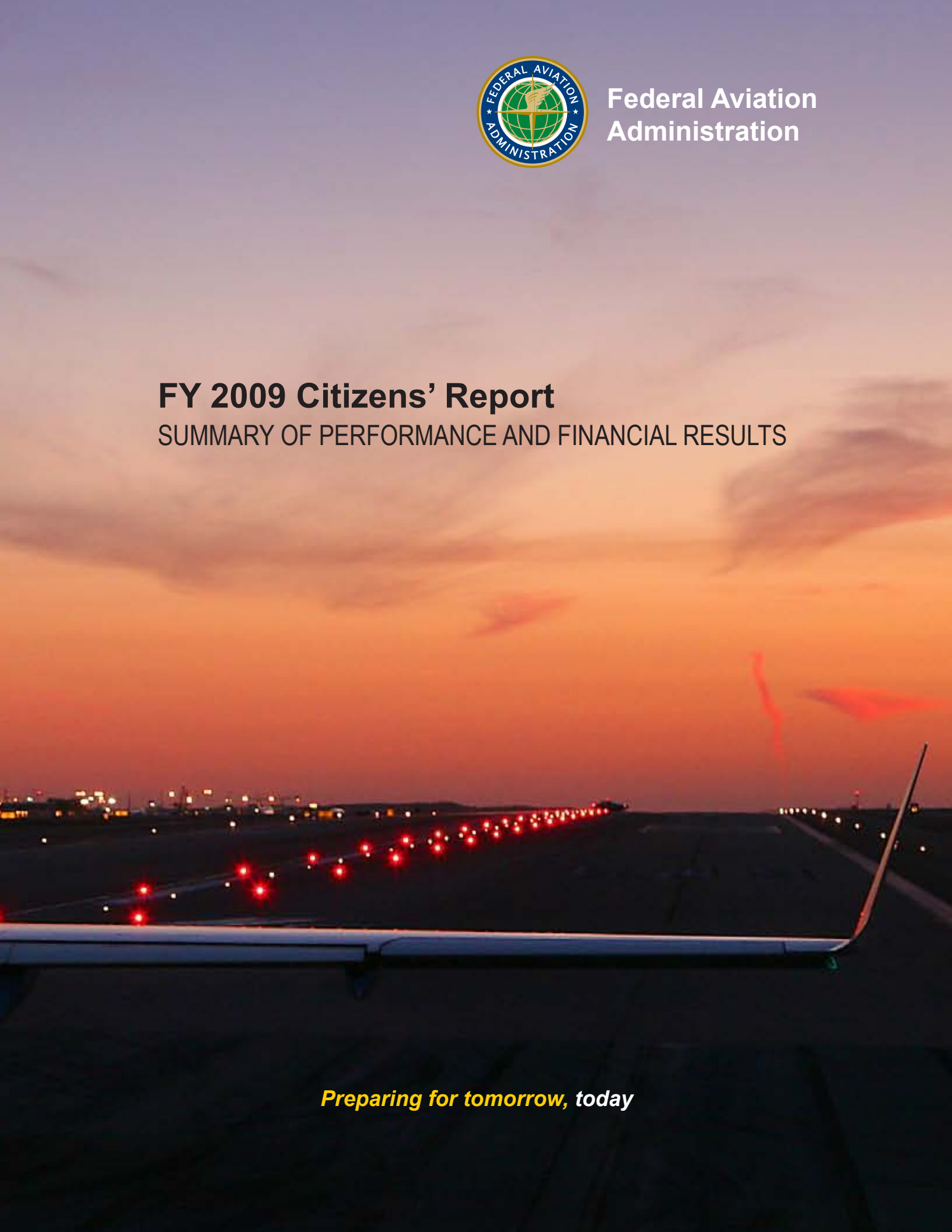
Federal Aviation Administration

FY 2009 Citizens' Report

SUMMARY OF PERFORMANCE AND FINANCIAL RESULTS



Preparing for tomorrow, today

On the cover—Recently installed runway status lights at Los Angeles International Airport (LAX) are connected to the ground radar system. The lights turn red if the ground radar detects a potential conflict between two aircraft or an aircraft and a vehicle. The lights—the latest safety enhancement at LAX—are available on eight taxiways and one runway. The FAA also installed the most technologically advanced ground radar system, known as Airport Surface Detection Equipment-X, or ASDE-X, in the air traffic control tower at LAX. ASDE-X collects data from more sources than the previous ground radar system, and provides air traffic controllers with color map displays showing the location of all aircraft and vehicles on the runways and taxiways.

Credit: FAA Image Gallery

The aviation sector will be an important factor in the Nation's economic recovery. According to the FAA's calculations using the U.S. International Trade Commission's reported trade data statistics, at $61 billion, aerospace products and parts contributed more to the positive balance of trade than any other sector—$32 billion more than the next highest contributor.

Credit: FAA Image Gallery

Mission

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

Vision

To improve the safety and efficiency of flight.
We are responsive to our customers and accountable to the flying public.

Values

Safety is our passion. We are world leaders in aerospace safety.

Quality is our trademark. We serve our country, our stakeholders, 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 people as we want to be treated.

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ABOUT THIS REPORT

The Federal Aviation Administration (FAA) FY 2009 Citizens' Report is a summary of our more detailed Performance and Accountability Report (PAR). As an agency within the Department of Transportation (DOT), the FAA is not required to prepare a separate PAR or Citizens' Report. However, to demonstrate accountability, we choose to present our performance, management, and financial information using the same statutory and guidance framework. In some cases, however, we may depart from the format required of Chief Financial Officers Act agencies.

This report and reports from prior years are available on the FAA Web site at **http://www.faa.gov/about/plans_reports**.

FAA AT A GLANCE

Established	1958
Headquarters	800 Independence Avenue, SW Washington, DC 20591 **http://www.faa.gov**
FY 2009 Budget (enacted)	$16.770 billion
Total Employees	48,156
Headquarters	5,351 employees
Regional and Field Offices	37,925 employees
Technical Center Atlantic City, NJ	1,145 employees
Aeronautical Center Oklahoma City, OK	3,735 employees
FY 2009 Passengers on U.S. Carriers	700.6 million (*estimate*)
FY 2009 Tower Operations	52.5 million arrivals and departures (*estimate*)

Safety continues to be the FAA's top priority, with approximately 70 percent of the agency's FY 2009 budget supporting our mission to safely operate and maintain the air traffic control system, inspect aircraft, certify new equipment, ensure the safety of flight procedures, and oversee the safety of commercial space transportation.

Credit: FAA Image Gallery

A MESSAGE FROM THE ADMINISTRATOR

The FAA is making good on its promise to deliver a return on the taxpayer's investment in aviation. The American Recovery and Reinvestment Act (ARRA) helped us put those plans in high gear. As a result, 2009 has been a building year—literally and figuratively.

This fiscal year, the ARRA allocated $1.3 billion to the FAA. We invested that money at hundreds of airports and air traffic facilities throughout the United States to build a variety of capacity-building and safety-enhancing projects. The investments did not begin or end there. The FAA's plan to overhaul the air traffic control system continues to move forward. The goal of the Next Generation Air Transportation System (NextGen) is to transform the entire national air transportation system. We are putting new technology and procedures in place that are both safer and more efficient—and green from top to bottom. The immediate dividend of a system that takes safety to a new level is an increase in public trust.

The agency is pushing industry to raise its standards as well. In a "Call to Action" made shortly after I was sworn into office in June, we announced an aggressive timeframe for developing recommendations on a new flight time and rest rule to reduce pilot fatigue, as well as other initiatives to strengthen regional and major airline safety. I met personally with airline executives and their chief pilots. My message focused on the need for greater professionalism and accountability—throughout government and industry. We made similar advances in financial management for fielding new air traffic technology. This resulted in the U.S. Government Accountability Office (GAO) dropping the FAA's air traffic control modernization program from its High-Risk List for the first time since 1995.

We faced many challenges during the past year, but continued to work tirelessly to achieve our established goals on time and on budget. Still, some of our biggest challenges as referenced below are on the horizon, and we are strategically preparing to address them.

- **Improve Safety Record.** Recent commercial fatal accidents are tragic reminders that we must be more vigilant to reinforce the fundamentals that will take the FAA to the next level of safety.
- **NextGen Workforce Capabilities.** We must develop the competencies in our human capital to implement the complex technology and new processes that are inherent in NextGen. We must streamline our internal processes to be able to deliver NextGen's near-term capabilities that rely on cross-departmental cooperation.
- **Embracing NextGen.** Keeping the National Airspace System (NAS) vibrant and viable is important to our national economic strength. But, we cannot deliver NextGen without the investment of airline operators. To bolster industry buy in across the board, we pulled stakeholders together for an assessment of NextGen. The result is a list of clear, concise, and actionable recommendations, giving an unequivocal message to the FAA about what NextGen needs to accomplish and how to do it.

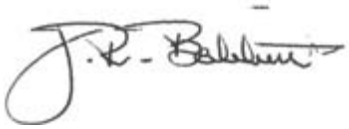
J. Randolph Babbitt
Administrator

- **FAA Reauthorization.** The FAA's current financing system is based largely on aviation excise taxes that depend on the price of a passenger's airline ticket rather than the actual cost of controlling flights through our Nation's aviation system. The Administration believes the FAA should move toward an approach where funds required for operating and modernizing the FAA's air traffic control system are more related to its costs, the financing burden is distributed more equitably among users, and funding of services and improvements are more targeted to users' needs. We are committed to working with Congress and stakeholders to enact legislation that moves toward a more sustainable system.

Our FY 2009 Citizens' Report provides highlights of our performance and financial management to both the flying public and the aviation industry. Our strategic plan—the *Flight Plan*—focuses our performance on the top 31 agency targets that position us to meet the future successfully. We achieved 28 out of the 31 goals listed in the *Flight Plan*.

We are proud to have received an unqualified opinion with no material weaknesses from our auditors on our FY 2009 financial statements. We issued an unqualified statement of assurance and can state that the financial and performance data are reliable and complete.

The FAA is on the precipice of one of the largest transformations and most expensive periods in its history. This is not something we take lightly. We recognize that to be good stewards of the money entrusted to us by Congress, we must be efficient and provide an exceptional return on investment for the American taxpayer. As this report shows, we are meeting that expectation.



J. Randolph Babbitt
Administrator
November 12, 2009

Capacity and efficiency problems such as delays, excess fuel burn and emissions, and increased travel distances develop when demand for the use of runways and airspace outstrips available resources. NextGen technology and procedures will improve operations by enabling aircraft to get into and out of the airport faster, and by increasing the overall efficiency of the system, making better use of available airspace.

Credit: FAA Image Gallery

MANAGEMENT'S DISCUSSION AND ANALYSIS

FAA ORGANIZATION

The mission of the FAA, an agency of the U.S. DOT, is to provide the safest, most efficient aerospace system in the world. The FAA provides air traffic control services, establishes and enforces regulations, and oversees inspections that maintain the integrity and reliability of that system, which has fueled our economy and helped ensure our Nation's prosperity for more than 50 years. We operate 24 hours a day, 7 days a week, 365 days a year. We have a system composed of more than 63,000 facilities and pieces of equipment with FAA-operated or contract towers at 501 airports, and we are responsible for inspecting and certifying about 227,900 aircraft and 748,000 pilots. With almost 6,045 takeoffs and landings per hour, and more than 701 million passengers and 30 billion cargo revenue ton miles of freight a year, we safely guide approximately 38,000 flights through the world's preeminent NAS every day.

From 1926, when President Calvin Coolidge initiated Federal oversight of air safety in the United States by signing the Air Commerce Act, to the creation of the Federal Aviation Agency in 1958, to our modern-day incarnation, the FAA and the aviation community have grown and worked together. We have shaped an industry that—like shipping and rail before it—conquered distance in a new way, lowered transportation costs, and created new opportunities that transformed the commercial landscape.

Today's FAA faces the challenge of expanding the capacity of our aviation system to meet future demand without compromising safety or harming our environment. With aviation and related industries supporting 12 million jobs and contributing $1.3 trillion to our total annual economy, our success is critical. Our workforce of more than 48,000 professionals operates and maintains the most complex air traffic control system in the world with an

annual budget of approximately $16.8 billion. More than half of the world's air traffic is managed by more than 15,700 controllers, who ensure ever-increasing levels of safety. We conduct research to improve aviation safety and efficiency and provide grants to improve 3,339 eligible public-use airports in the United States. We also regulate commercial space launch activities to ensure public safety.

We have many accomplishments to be proud of and many challenges to face. We highlight the most significant in this report.

MANAGEMENT CHALLENGES

In November 2008, the DOT Office of Inspector General (OIG) identified four management challenges facing the FAA in coming years. A summary of the FAA's actions toward resolving each of the challenges follows. A detailed discussion is available at **http://www.oig.dot.gov/StreamFile?file=/data/pdfdocs/FINAL_for_508.pdf** and beginning on page 63 of the FY 2009 PAR available at **http://www.faa.gov/about/plans_reports/media/2009_par.pdf**.

Enhancing Aviation Safety and Maintaining Confidence in FAA's Ability To Provide Effective Oversight of a Rapidly Changing Industry. To address this challenge, the FAA has enhanced oversight of air carrier operations; improved certification and production oversight of new segments of the aircraft industry; followed through on longstanding commitments to improve oversight of external repair facilities; and improved runway safety by implementing new technologies, making airport-specific changes, and reinvigorating FAA initiatives.

Enhancing Mobility and Reducing Congestion in America's Transportation System. NextGen is the long-term solution to reducing congestion and increasing capacity of the NAS. Until the full benefits are realized, the FAA and the DOT implemented several short-term initiatives including managing congestion at LaGuardia, JFK, and Newark Airports in the New York area; improving operations at O'Hare International Airport; and keeping airport infrastructure and airspace projects on track at the Nation's busiest major hub airports.

Operating the NAS While Developing and Transitioning to the NextGen Air Transportation System. The FAA faces a number of challenges associated with the implementation of NextGen—an enormously complicated undertaking due to the technological complexities, numerous stakeholders, and broad scope of the effort. To successfully transition to NextGen, the FAA must continue to operate the NAS to ensure the flying public's safety and keep up with increased demand for airspace. To do this, the FAA plans to hire and train nearly 17,000 controllers to replace those who were hired after the 1981 strike and are now retiring; keep existing projects on track and reduce risks; and sustain its extensive network of aging facilities.

Protecting Against Increasing Cyber Security Risks and Enhancing the Protection of Personally Identifiable Information. Homeland Security Presidential Directive No. 7 designated air traffic control systems as part of the Nation's critical infrastructure. In FY 2009, the FAA completed numerous milestones that support new standards in safeguarding and preserving this critical national infrastructure including an ambitious Information Systems Security (ISS) audit and compliance program plan to ensure full compliance with multitiered security controls and security policies and procedures issued by the DOT, OIG, GAO, and ISS.

In October 2009, the FAA published new regulations for manufacturers of aircraft and aviation products that update, standardize, and better align FAA requirements with the current global manufacturing environment. The new regulations continue to promote aviation safety by ensuring that aircraft—and products and articles designed specifically for use in aircraft, wherever manufactured—meet appropriate minimum standards for design and construction.

Credit: FAA Image Gallery

PERFORMANCE HIGHLIGHTS

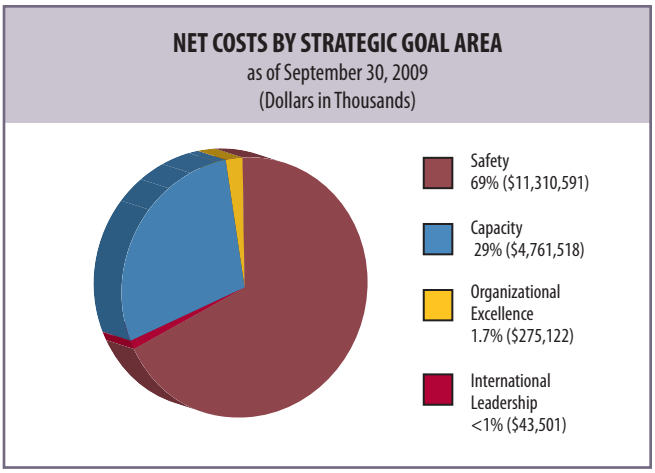
MEASURING PERFORMANCE

The FAA is charged with promoting the safety and efficiency of the Nation's aviation system. With broad authority to enforce safety regulations and conduct oversight of the civil aviation industry, we maintain the system's integrity and reliability. A strategic plan, annual business plans, human capital plans, and the annual PAR create a recurring cycle of planning, program execution, measurement, verification, and reporting. This strong link between resources and performance shows our accomplishments and reinforces accountability for the way we spend taxpayer money.

This year, the FAA had 31 performance measures in its *Flight Plan* that focused on our four main strategic goal areas—Increased Safety, Greater Capacity, International Leadership, and Organizational Excellence. The FAA met 28 of these 31 measures—a 90 percent success rate. The performance charts for each strategic goal, located in the Performance Results section of this report, provide a snapshot of our results. Details on current and past performance results can be found in the PAR at **http://www.faa.gov/about/plans_reports**.

The alignment of the FAA's costs with its four strategic goal areas is captured in the accompanying chart, which shows more than $11.3 billion, or about 69 percent of the FAA's total net cost of nearly $16.4 billion for FY 2009, was devoted to our primary goal, ensuring the safety of the NAS. The Air Traffic Organizaton (ATO) spent more than $7.9 billion, largely to maintain the safe separation of aircraft in the air and on the ground. Airports (ARP) directed more than $2.1 billion to establishing safe airport infrastructure. Aviation Safety (AVS) used nearly $1.2 billion on its programs to regulate and certify aircraft,

NET COSTS BY STRATEGIC GOAL AREA
as of September 30, 2009
(Dollars in Thousands)



pilots, and airlines, directly supporting the safety of commercial and general aviation. The FAA staff offices and other programs spent the remaining total—just more than $109 million—to further support the agency's safety mission.

Approximately $4.7 billion, or 29 percent of total net costs, was assigned to support the FAA's goal of expanding the capacity of the NAS, particularly through its pursuit of programs contributing to the NextGen initiative. The ATO spent about $2.8 billion, largely to finance its facilities and equipment projects. The ARP spent more than $1.9 billion to enhance the capacity of the country's airports through runway projects and other efforts. The AST directed more than $3.0 million on its efforts to expand capacity and the AVS contributed approximately $1.0 million. The bulk of the FAA's remaining net costs, approximately $275 million, supported its Organizational Excellence goal, to which nearly all the lines of business (LOBs) and staff offices contributed. The FAA committed the remainder, approximately $43.5 million, to promoting its International Leadership goal.

GATEWAY TO SPACE

Touchdown on the runway. Look out the window.

All of the basic elements are in place: hangar, terminal, lounge, a long stretch of tarmac. Except, your flight is not a red-eye from Los Angeles; you have just returned from space.

With the groundbreaking of Spaceport America near Las Cruces, NM, in July 2009, we are within just a couple of years of this scenario becoming reality for members of the public who want to experience space flight.

Spaceport America design concept. The groundbreaking for the New Mexico facility, which will be the base for Virgin Galactic's space tourism effort, took place in July 2009.

Image courtesy of Spaceport America

However, before the countdown begins, the site must be approved for an FAA license by the Office of Commercial Space Transportation. Today there are seven licensed spaceports in the United States, including Spaceport America, with as many as four more expected in the next couple of years.

Although commercial space flight is still in its infancy compared to the more than 70-year-old commercial aviation industry, regulatory lessons learned from airports have proven to be valuable. Compared with the very early days of airports, when there were no paved runways and no regulatory regime to ensure the public's safety, the evolution of spaceports has gone much more smoothly.

While the Office of Commercial Space Transportation has had the benefit of history's lessons, it still must balance safety regulation with flexibility. Part of the challenge is to allow companies the freedom to grow and experiment within a set of safety parameters.

Space travel is not yet recognized as a mode of transportation, but government and industry leaders expect it to be when spacecraft begin to land at spaceports other than the one from which they launched. Business travelers—think New York to Sydney in 45 minutes.

Adapted from an article in Focus FAA, the FAA's employee news service.

FY 2009 PERFORMANCE RESULTS

Safety

America continues to set the world standard for aviation, and safety is the hallmark of the FAA. As the stewards of aviation safety in the United States, the agency and its industry partners have built a system that has reduced the risks of flying to alltime lows. We continued to focus our resources—financial, human, and physical—primarily on safety. In FY 2009, we achieved five of eight safety goals.

We missed our target for reducing the general aviation fatal accident rate, primarily because of amateur-built aircraft and human-factors influence. We continue to investigate, develop, and implement new strategic initiatives to address the challenges of creating a safe environment for on-demand and general aviation flights and to address the human-factors influence and mitigate the risks associated with amateur-built aircraft. We did not meet the performance measure for Alaska accidents because the FAA has no regulatory authority to provide safety oversight on Public Use Aircraft, which accounted for 8 percent of all Alaska accidents. To strengthen the areas we do have control over, we continued our safety efforts and added new emphasis to several key initiatives.

FY 2009 **SAFETY** PERFORMANCE MEASURES AND RESULTS

Performance Measure	Past Results	FY 2009 Target	FY 2009 Results	FY 2009 Status	FY 2010 Target[1]
Commercial Air Carrier Fatality Rate Cut the rate of fatalities per 100 million persons on board in half by 2025.	FY 08 ●	8.4	6.8[2]	●	8.1
General Aviation Fatal Accident Rate Reduce the fatal accident rate per 100,000 flight hours by 10% over a 10-year period (2009–2018).	N/A[3]	1.11	1.17[2]	▲	1.10
Alaska Accidents By the end of 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. This measure will be converted from a number to a rate at the beginning of FY 2010.	FY 08 ▲ FY 07 ● FY 06 ● FY 05 ▲ FY 04 ●	99	104[2]	▲	1.86[4]
Runway Incursions (A and B) By 2010, reduce Category A and B (most serious) runway incursions to a rate of no more than 0.45 per million operations, and maintain or improve through FY 2013.	FY 08 ● FY 07 ● FY 06 ● FY 05 ●	0.472	0.228[5]	●	.450
Total Runway Incursions By the end of FY 2013, reduce total runway incursions by 10% from the FY 2008 baseline.	N/A[3]	-1.00% (999)	-5.75% (951)[5]	●	-2%
Commercial Space Launch Accidents No fatalities, serious injuries, or significant property damage to the uninvolved public during licensed or permitted space launch and reentry activities.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	0	0	●	0
Operational Errors Limit Category A and B (most serious) operational errors to a rate of no more than 1.95 per million activities by FY 2012 and maintain through FY 2013.	FY 08 ▲	2.10	2.43[5]	▲	2.05
Safety Management System In FY 2010, implement the SMS in the ATO, AVS, and Office of Airports. In FY 2012, implement SMS policy in all appropriate FAA organizations.	FY 08 ●	9	9	●	3

[1] FY 2010 targets are from the FY 2009–2013 *Flight Plan*.
[2] Preliminary data until March 2011.
[3] Measure redefined in FY 2009. No trend data available.
[4] In FY 2010, the Alaska Accidents measure will be converted to a rate.
[5] Preliminary data until January 2010.
● Goal Achieved
▲ Goal Not Achieved

We also missed our target for limiting operational errors. To improve on this in the future, we developed several initiatives to give us a better understanding of the events involved in the occurrence of operational errors so that we can improve our ability to prevent them.

Capacity

Our biggest challenge today and in the future is meeting capacity needs. While the long-term solution to increasing capacity and reducing delays depends largely on expanding capacity through the NextGen system, it is not targeted until the 2025 timeframe. In the meantime, several near-term initiatives—airfield construction, redesigning airspace, and revising air traffic control procedures—have potential for meeting short-term capacity needs. The FAA is committed to further improve safety, increase capacity, and reduce congestion and aviation's environmental impact to better accommodate traffic growth and to support the economic viability of those who use the system, now and in the future. In FY 2009, we achieved all seven capacity goals and significantly exceeded our target for aviation noise exposure.

FY 2009 **CAPACITY** PERFORMANCE MEASURES AND RESULTS

Performance Measure	Past Results	FY 2009 Target	FY 2009 Results	FY 2009 Status	FY 2010 Target[1]
Average Daily Airport Capacity (35 Operational Evolution Partnership [OEP] Airports) Achieve an average daily airport capacity for the 35 OEP airports of 103,068 arrivals and departures per day by FY 2011 and maintain through FY 2013.	FY 08 ● FY 07 ● FY 06 ● FY 05 ●	100,707	101,691[2]	●	102,648
Average Daily Airport Capacity (7 Metro Areas) Achieve an average daily airport capacity for the 7 major metropolitan areas of 39,484 arrivals and departures per day by FY 2009, and maintain through FY 2013.	FY 08 ●	39,484	42,925[2]	●	39,484
Annual Service Volume Commission 9 runway/taxiway projects, increasing the annual service volume of the 35 OEP airports by at least 1% annually, measured as a 5-year moving average, through FY 2013.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	1.00% (5 runway/ taxiway projects)	1.02% (6 runway/ taxiway projects)	●	1.00% (2 runway/ taxiway projects)
Adjusted Operational Availability Sustain adjusted operational availability at 99.70 percent for the reportable facilities that support the 35 OEP airports through FY 2013.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	99.70%	99.78%[2]	●	99.70%
NAS On-Time Arrivals Achieve a NAS on-time arrival rate of 88.00% at the 35 OEP airports and maintain through FY 2013.	FY 08 ▲ FY 07 ▲ FY 06 ● FY 05 ●	88.00%	88.98%[2]	●	88.00%
Noise Exposure Reduce the number of people exposed to significant noise by 4% per year through FY 2013, as measured by a 3-year moving average, from the 3-year average for calendar years 2000–2002.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	-16.00%	-48.00%[3]	●	-20.00%
Aviation Fuel Efficiency Improve aviation fuel efficiency by another 1% over the FY 2008 level (for a total of 7%) through FY 2009, and 1% each subsequent year through FY 2013 to 11%, as measured by a 3-year moving average of the fuel burned per revenue mile flown, from the 3-year average for calendar years 2000–2002.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	-7.00%	-10.17%	●	-8.00%

[1] FY 2010 targets are from the FY 2009–2013 *Flight Plan*.
[2] Preliminary data until January 2010.
[3] -48.00% preliminary result will be finalized in May 2010.

● Goal Achieved
▲ Goal Not Achieved

International Leadership

International leadership is the way the FAA advances safety and efficiency around the world, to wherever Americans might travel. In FY 2009, we achieved all four international leadership goals.

FY 2009 **INTERNATIONAL LEADERSHIP** PERFORMANCE MEASURES AND RESULTS

Performance Measure	Past Results	FY 2009 Target	FY 2009 Results	FY 2009 Status	FY 2010 Target[1]
Commercial Aviation Safety Team (CAST) Safety Enhancements (SEs) Work with the Chinese aviation authorities and industry to adopt 27 proven CAST SEs by FY 2011. This supports China's efforts to reduce commercial fatal accidents to a rate of 0.030 fatal accidents per 100,000 departures by FY 2012.	FY 08 ● FY 07 ● FY 06 ● FY 05 ●	5	5	●	4
International Aviation Development Projects By 2013, arrange commitment for external funding for at least 35 aviation development projects (7 per year).	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	7	8	●	7
Aviation Leaders By 2013, work with at least 18 countries or regional organizations to develop aviation leaders to strengthen the global aviation infrastructure.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	2	7	●	3
NextGen Technologies By FY 2013, expand the use of NextGen performance-based systems and concepts to 5 priority countries.	FY 08 ● FY 07 ● FY 06 ●	1	1	●	1

[1] FY 2010 targets are from the FY 2009–2013 *Flight Plan*.
● Goal Achieved

Organizational Excellence

Organizational excellence is an ongoing challenge. As the aviation community continues to face a tough economic environment, the FAA faces many difficult management challenges as well. Our efforts this year focused on air traffic controller recruitment and placement, as well as maintaining the aviation safety workforce to levels commensurate with the Aviation Safety Workforce Plan. In FY 2009, we achieved all 12 of our Organizational Excellence goals.

FY 2009 **ORGANIZATIONAL EXCELLENCE** PERFORMANCE MEASURES AND RESULTS

Performance Measure	Past Results	FY 2009 Target	FY 2009 Results	FY 2009 Status	FY 2010 Target[1]
STRATEGIC MANAGEMENT OF HUMAN CAPITAL					
Office of Personnel Management (OPM) Hiring Standard By FY 2010, 80 percent of FAA external hires will be filled within OPM's 45-day standard for Government-wide hiring.	FY 08 ●	65.00%	80.88%	●	80.00%
Reduce Workplace Injuries Reduce the total workplace injury and illness case rate to no more than 2.44 per 100 employees by the end of FY 2011, and maintain through FY 2013.	FY 08 ● FY 07 ● FY 06 ●	2.60 per 100	1.77 per 100[2]	●	2.52 per 100
Grievance Processing Time Reduce grievance processing time by 30% (to an average of 102 days) by FY 2010 over the FY 2006 baseline of 146 days, and maintain the reduction through FY 2013.	FY 08 ● FY 07 ● FY 06 ●	-25.00%	-73.97%	●	-30%

FY 2009 **ORGANIZATIONAL EXCELLENCE** PERFORMANCE MEASURES AND RESULTS					
Performance Measure	**Past Results**	**FY 2009 Target**	**FY 2009 Results**	**FY 2009 Status**	**FY 2010 Target[1]**
Air Traffic Controller Workforce Plan Maintain the air traffic controller workforce at, or up to 2% above, the projected annual totals in the Air Traffic Controller Workforce Plan.	FY 08 ● FY 07 ● FY 06 ●	0% to 2% over plan	1.19% over plan	●	0% to 2% over plan
Aviation Safety Critical Positions Workforce Plan Maintain the aviation safety workforce within 1% of the projected annual totals in the Aviation Safety Workforce Plan.	N/A[3]	+/- 1% of annual target	0.15% over annual target[3]	●	+/- 1% of annual target
IMPROVED FINANCIAL PERFORMANCE					
Cost Control Organizations throughout the agency will continue to implement cost-efficiency initiatives such as 10–15% savings for strategic sourcing for selected products and services; by the end of FY 2009, reduce leased space for Automated Flight Service Stations from approximately 510,000 square feet; annual reduction of $15 million in IT operating costs; by FY 2010, reduce overhead costs 5–10% through automation of invoice processing.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	90.00%	1 activity and 123.38% of targeted savings	●	90.00%
Unqualified Audit Obtain an unqualified opinion on the agency's financial statements (with no material weaknesses [NMW]) each fiscal year.	FY 08 ● FY 07 ▲ FY 06 ▲	Unqualified Audit w/ NMW	Unqualified Audit w/ NMW	●	Unqualified Audit w/ NMW
ACQUISITION MANAGEMENT					
Critical Acquisitions on Schedule In FY 2009, 90% of Major System Investments selected annual milestones are achieved.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	90.00%	93.75%	●	90.00%
Critical Acquisitions on Budget By FY 2009, 90% of Major System Investments are within 10% variance of current baseline total budget estimate at completion.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	90.00%	97.06%	●	90.00%
CUSTOMER SATISFACTION AND OPERATIONAL CAPABILITY					
Customer Satisfaction Maintain the annual average of FAA surveys on the American Customer Satisfaction Survey at or above the average Federal Regulatory Agency score.	FY 08 ● FY 07 ▲ FY 06 ● FY 05 ● FY 04 ●	61	69.32	●	TBD
Information Security Achieve zero cyber-security events that disable or significantly degrade FAA services.	FY 08 ● FY 07 ● FY 06 ● FY 05 ● FY 04 ●	0	0	●	0
Continuity of Operations Exceed Federal Emergency Management Agency (FEMA) continuity readiness levels by 5%.	N/A[3]	5% ahead of FEMA require-ments	8.33%	●	5% ahead of FEMA require-ments

TBD: To be determined

[1] FY 2010 targets are from the FY 2009–2013 *Flight Plan*.

[2] Projection from trends. Final data available in November 2009.

[3] Measure redefined in FY 2009. No trend data available.

● Goal Achieved

▲ Goal Not Achieved

The FAA is making pilot fatigue a high priority and is working rapidly to develop and implement a new flight time and rest rule based on fatigue science and a review of international approaches to the issue.

Credit: FAA Image Gallery

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

In the next two decades, NextGen will transform the way we currently use our national airspace. It is an expensive undertaking, but one we need to meet future flying demands, provide safety enhancements, create additional capacity, improve environmental performance, and support the economic viability of aviation. Currently the FAA's total price tag for NextGen is expected to exceed $15 billion. We recognize that this investment is substantial, and as we plan for NextGen and begin to implement it, we are constantly mindful of how we spend the taxpayers' dollars.

Ramesh K. Punwani
Assistant Administrator for Financial Services/Chief Financial Officer

We continue to find ways to better execute and manage the budget resources that Congress provides for NextGen, as well as for the FAA's other critical budget needs. Our hard work to transform our financial management during the past 6 years is paying off. For the first time since 1995, the GAO removed the FAA's air traffic control modernization program from its High-Risk List because of the progress made in keeping programs within budget and on schedule, and for meeting performance measures and program commitments. We have improved management capabilities on major projects, developed and refined an Enterprise Architecture, implemented improved cost-estimating methodologies and a cost-accounting system, implemented a comprehensive investment management process, and assessed our human capital challenges.

The following accomplishments of FY 2009 underscore our commitment to improve financial management:

- We achieved an unqualified opinion on our FY 2009 financial statements with no material weaknesses.
- For the fifth time in 6 years, the Association of Government Accountants awarded us top honors for our FY 2008 PAR. This is considered the highest form of recognition in Federal Government management reporting.
- We received our seventh consecutive award from the League of American Communication Professionals for the FY 2008 Citizens' Report, recognizing it as a top-quality annual report.
- 84 percent of our employees are now on the pay-for-performance system, including our executives. This means that performance targets must be achieved before annual pay raises are granted. As part of this system, we provide incentives to ensure quality work and reward innovation.
- More than 90 percent of our project management initiatives are on time and on budget.

We are proud of our efforts to put exceptional financial management into place and, as a result, the significant gains we have made in terms of accountability to Congress, the taxpayers, and our customers. However, we must continue to earn this trust. We will continue these successful programs as well as pilot new initiatives to ensure that our financial practices remain effective and efficient. We know that every dollar we save can be used to preserve and provide the safest, most efficient aerospace system in the world.

Ramesh K. Punwani
Assistant Administrator for Financial Services/Chief Financial Officer
November 12, 2009

Early NextGen capabilities in use at several large airports, including those in Atlanta, Charlotte, and Newark, have contributed to more efficient arrival and departure performance.

Credit: FAA Image Gallery

FINANCIAL HIGHLIGHTS

Highlights of our FY 2009 financial performance appear on the pages that follow. For a more detailed discussion of the FAA's financial statements and accompanying notes, see our FY 2009 PAR, which is available on the FAA Web site at **http://www.faa.gov/about/plans_reports**.

For FY 2009, the Airport and Airway Trust Fund (AATF) provided approximately 70 percent of the FAA's enacted budget. Created by the Airport and Airway Revenue Act of 1970, the AATF derives its monies from excise taxes and earned interest. It provides a stable source of revenue to finance investments in the airport and airway system. To the extent funds are available, the fund also covers the operating costs of the airway system. Aviation excise taxes, which include taxes on domestic passenger tickets, freight waybills, general and commercial aviation fuel, and international departures and arrivals, are deposited into the fund. The Department of the Treasury maintains the fund and invests its monies in Government securities, and interest earned is deposited into the fund. Monies are withdrawn as needed and transferred into each FAA appropriation to cover obligations.

The FAA is financed through annual and multiyear appropriations authorized by Congress. The FY 2009 enacted budget of $16.77 billion was 12.4 percent higher than the FY 2008 enacted level. This includes $11.7 billion from the AATF and $5.1 billion from the General Fund. The Combined Statement of Budgetary Resources reflects $15.5 billion enacted by the Omnibus Appropriations Act of 2009 (PL 111-8) and $1.3 billion enacted from the ARRA (PL 111-5).

The FAA has four appropriations. The largest, Operations, is funded by both the Treasury's General Fund and the AATF. In FY 2009, the AATF provided more than 58 percent of the revenue for Operations. The AATF is the sole revenue source for the FAA's three capital investment appropriations:

- Grants-in-Aid for Airports (AIP)
- Facilities and Equipment
- Research, Engineering, and Development

The FAA's Summarized Net Cost of Operations is shown on page 21. For the fiscal years ending September 30, 2009 and 2008, the FAA's net costs were $16.4 billion and $15.5 billion respectively. Net cost is total program cost less related earned revenue. The Composition of Net Cost chart on page 15 illustrates the distribution of costs among FAA's LOBs. The Net Cost Comparison chart on page 15 compares FY 2009 and FY 2008 net costs.

With a net cost of $10.9 billion, the ATO is the FAA's largest LOB, composing 67 percent of total net costs. The ATO's net costs increased by $474.9 million, on a comparative basis, primarily from increases in labor costs of $190.0 million, and environmental cleanup and remediation of $173.0 million, which were partially offset by an increase in reimbursable revenue from work in the NAS Defense Program of $62.0 million.

ARP is the FAA's second largest LOB with a net cost of $4.0 billion as of September 30, 2009, which is 25 percent of the FAA's total net costs. Net costs increased $280.9 million from the prior year and are composed mostly of Aviation Insurance Program grant disbursements.

The net cost of Aviation Safety represents 7 percent of the FAA's total net costs, while Regional and Center Operations and All Other compose 1 percent of total net costs.

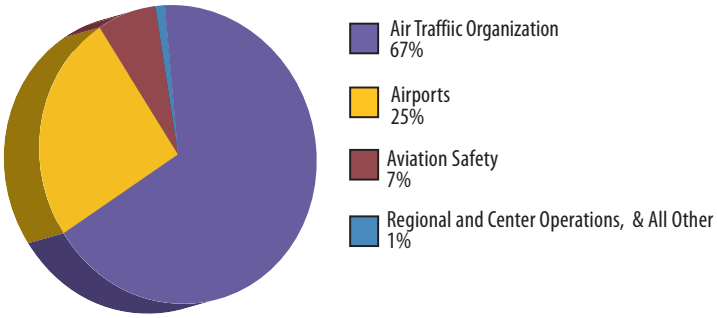
The FAA's Summarized Assets, Liabilities, and Net Position are also shown on page 21.

Total assets were $27.9 billion as of September 30, 2009. The FAA's assets are the resources available to pay liabilities or satisfy future service needs. The Composition of Assets chart on page 16 depicts major categories of assets as a percentage of total assets.

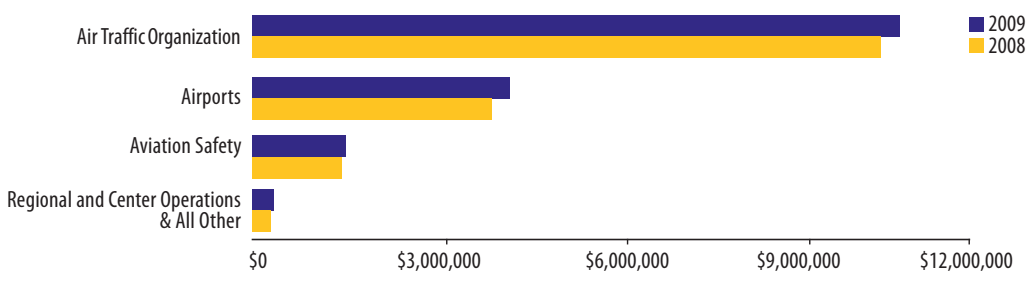
The Assets Comparison chart on page 16 presents comparisons of major asset balances as of September 30, 2009 and 2008.

At $13.8 billion, Property, Plant, & Equipment represents 49 percent of the FAA's assets as of September 30, 2009, and primarily comprises construction-in-progress related

COMPOSITION OF NET COST
as of September 30, 2009



NET COST COMPARISON
Dollars in Thousands



to the development of NAS assets, and capitalized real and personal property. There was a slight decrease of $24.9 million in the total composition of Property, Plant, & Equipment as purchases of equipment and additions to construction-in-progress through the normal course of business were offset by retirements and depreciation.

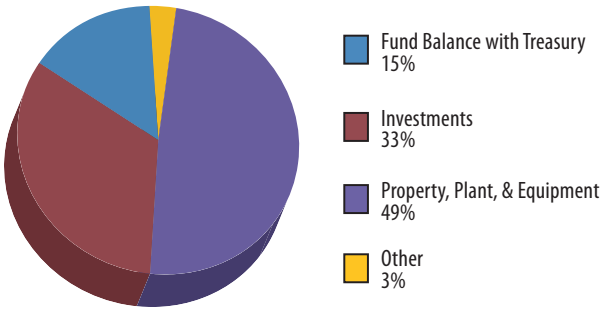
At $9.2 billion, Investments represent 33 percent of the FAA's current period assets, and are principally derived from passenger ticket and other excise taxes deposited to the AATF. These amounts are used to finance the FAA's operations to the extent authorized by Congress. Investments increased by $323.8 million.

Fund Balance with Treasury represents 15 percent of the FAA's current period assets and consists of funding available through Department of the Treasury accounts from which the FAA is authorized to make expenditures to pay liabilities. It also includes passenger ticket and other excise taxes deposited to the AATF, but not yet invested. Fund Balance with Treasury increased slightly from $3.9 billion to $4.1 billion.

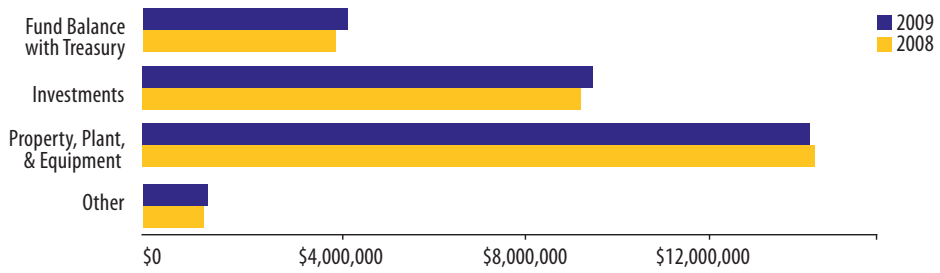
The Composition of Liabilities chart on page 17 depicts the FAA's major categories of liabilities as a percentage of total liabilities. The Liabilities Comparison chart on page 17 presents comparisons of major liability balances between September 30, 2008, and September 30, 2009. Following is a discussion of the major categories. At $1.4 billion, Employee-Related & Other Liabilities represents 32 percent of the FAA's total liabilities. These liabilities increased slightly by $14.1 million and as of September 30, 2009, are composed mainly of $135.7 million in advances received, $211.0 million in Federal employee's compensation act payable, $337.2 million in accrued payroll and benefits, $481.5 million in accrued leave and benefits, $41.0 million in legal claims liability, and $115.8 million in capital lease liability.

At $901.3 million, Federal Employee Benefits represents 20 percent of the FAA's current year liabilities, and consists of the FAA's expected liability for death, disability, and medical costs for approved workers' compensation cases, plus a component for incurred but not reported claims. The Department of Labor calculates the liability for the DOT, and the DOT attributes a

COMPOSITION OF ASSETS
as of September 30, 2009



ASSETS COMPARISON
Dollars in Thousands



proportionate amount to the FAA based upon actual workers' compensation payments to FAA employees during the preceding 4 years. This liability is updated on an annual basis at year end.

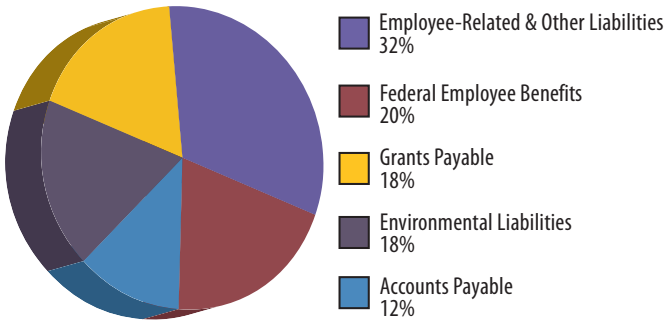
Environmental Liabilities represents 18 percent of the FAA's total liabilities, $810.8 million as of September 30, 2009, compared with $637.8 million a year earlier. Environmental Liabilities includes a component for remediation of known contaminated sites and the estimated environmental cost to decommission assets currently in service. The increase of $173.0 million is due primarily to an increase in the number of assets labeled "Areas of Concern," extending the time for onsite and program management by approximately 10 years.

The FAA's Grants Payable are estimated amounts incurred but not yet claimed by AIP grant recipients and represent 18 percent of liabilities. Grants Payable increased $133.7 million primarily due to an accrual of $109.7 million for new grants awarded through the FY 2009 ARRA. Accounts Payable increased $173.9 million and are amounts the FAA owes to other entities for unpaid goods and services.

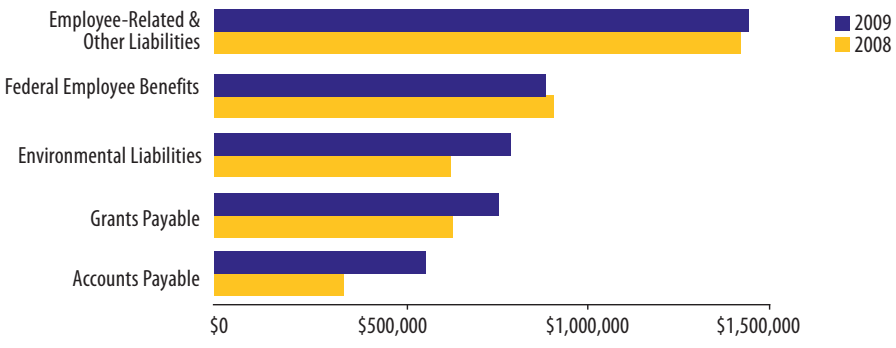
FAA's Summarized Changes in Net Position are shown on page 21. Net position presents those accounting items that caused the net position of the balance sheet to change from the beginning to the end of a reporting period. Various financing sources increase net position. These financing sources include appropriations received and nonexchange revenue, such as excise taxes and imputed financing from costs absorbed on the FAA's behalf by other Federal agencies. The agency's net cost of operations and net transfers to other Federal agencies serve to reduce net position.

The FAA's cumulative results of operations for the period ending September 30, 2009, decreased $1.2 billion, on a comparative basis, due primarily to a combination of increases in net cost of $858.6 million and by decreases in beginning balances of $299.0 million and financing sources of $47.9 million. Unexpended appropriations increased $1.2 billion primarily as a result of an increase in appropriations received of $2.8 billion offset by an increase in appropriations used of $1.3 billion.

COMPOSITION OF LIABILITIES
as of September 30, 2009



LIABILITIES COMPARISON
Dollars in Thousands



RUNWAY STATUS LIGHTS SYSTEM GETS GREEN LIGHT TO EXPAND

Beginning June 2009, Los Angeles International Airport became the third U.S. airport to operate a runway status lights (RWSL) system, expanding the technology that alerts pilots to potential runway safety hazards. Earlier tests at Dallas/Fort Worth and San Diego International airports proved that the lights are effective in helping prevent potential runway conflicts. The lights also alert vehicle drivers when it is unsafe to enter a runway.

RWSLs are rows of red lights placed along runways and taxiways in a way that is noticeable to pilots without being confused with other types of runway lights. Operating much like traffic signals, red means danger —stop!—another plane is using the runway. When the red lights are not lit, pilots still require clearance from air traffic control to move onto a runway.

The FAA is installing the lights at the same airports where a ground-based radar system known as the Airport Surface Detection Equipment Model X (ASDE-X) is being installed. The RWSL system will use the ASDE-X surveillance data to operate. The lights turn red if the ASDE-X detects a potential conflict between two aircraft on a runway.

The FAA also plans to deploy RWSLs at Atlanta, Baltimore Washington International, Boston, Charlotte, Chicago O'Hare, Denver, Detroit, Washington Dulles, Fort Lauderdale, Houston Intercontinental, New York John F. Kennedy and LaGuardia, Las Vegas, Minneapolis, Newark, Orlando, Philadelphia, Phoenix, and Seattle. These systems are scheduled to be deployed by 2012.

The red runway lights seen in this picture could go a long way to enhancing runway safety.

RWSL systems are fully automatic and designed to reduce the number and severity of runway incursions.

RWSLs are used to hold takeoffs, as well as to signal when aircraft may or may not enter a runway.

Adapted from an article in Focus FAA, the FAA's employee news service.

Summary Financial Information

FAA's independent auditor, Clifton Gunderson, LLP, rendered an unqualified audit opinion on the FAA's FY 2009 financial statements with no material weaknesses. The DOT OIG presented Clifton Gunderson's audit report to the FAA Administrator on November 12, 2009. The summary financial information in this Citizens' Report was derived from the FAA's audited FY 2009 and FY 2008 financial statements, which were prepared pursuant to the requirements of the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994.

Summary of Audit Results and Management Assurances

Financial Statement Audit Summary

Table 1 on page 19 is a summary of the results of the independent audit of the FAA's consolidated financial statements in connection with the FY 2009 audit.

Management Assurances Summary

Table 2 on page 19 is a summary of management assurances related to the effectiveness of internal control over the FAA's financial reporting and operations, and its conformance with financial management system requirements under Sections 2 and 4, respectively, of the Federal Managers' Financial Integrity Act (FMFIA). The last portion of Table 2 is a summary of the FAA's compliance with the Federal Financial Management Improvement Act (FFMIA).

Summarized Net Cost of Operations presents the annual cost of operating the FAA's LOBs.

Summarized Assets, Liabilities, and Net Position presents the resources available to use (assets) against the amounts owed (liabilities) and the amounts that compose the difference (net position).

Summarized Changes in Net Position represents the difference between the FAA's financing sources and its net cost of operations. The audited consolidated financial statements are available in the FAA's FY 2009 PAR on the FAA Web site at **http://www.faa.gov/about/plans_reports**.

TABLE 1. SUMMARY OF FINANCIAL STATEMENTS AUDIT			
Audit Opinion	FY 2009—unqualified		
	FY 2008—unqualified		
Restatement	No		
Material Weakness	FY 2008—number of material weaknesses	Revised and Reissued	FY 2009—number of material weaknesses
	0	0	0

TABLE 2. SUMMARY OF MANAGEMENT ASSURANCES						
Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unqualified statement of assurance					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total Material Weaknesses	**0**	**0**	**0**	**0**	**0**	**0**
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unqualified statement of assurance					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total Material Weaknesses	**0**	**0**	**0**	**0**	**0**	**0**
Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Systems conform to financial management system					
Nonconformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Conformance of FAA's core financial management system, Delphi, is assessed and reported by the DOT.	0	0	0	0	0	0
Compliance with FFMIA						
	Agency			Auditor		
Overall Substantial Compliance	Yes			Yes		
1. System Requirements	Yes					
2. Accounting Standards	Yes					
3. U.S. Standard General Ledger at Transaction Level	Yes					

Clifton Gunderson LLP
Certified Public Accountants & Consultants

Independent Auditor's Report on Summarized Financial Statements

Inspector General, U.S. Department of Transportation
Administrator, Federal Aviation Administration

We have audited the consolidated balance sheet of the U.S. Department of Transportation, Federal Aviation Administration (FAA) as of September 30, 2009, and the related consolidated statements of net cost and changes in net position, and the combined statement of budgetary resources (Principal Financial Statements) for the year then ended (FY 2009). We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *U.S. Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. In our report dated November 12, 2009, we expressed an unqualified opinion on those Principal Financial Statements. FAA's Principal Financial Statements as of and for the year ended September 30, 2008 (FY 2008), were audited by other auditors, whose report dated November 4, 2008 expressed an unqualified opinion on those Principal Financial Statements.

In our opinion, the information set forth in the accompanying FY 2009 summarized financial statements is fairly stated in all material respects in relation to the FY 2009 Principal Financial Statements referred to above from which it has been derived. FAA's summarized financial information as of and for the year ended September 30, 2008, was reported on by other auditors, whose report dated November 4, 2008 stated that the FY 2008 summarized financial information was fairly stated, in all material respects, in relation to the FY 2008 Principal Financial Statements from which it had been derived.

In accordance with *U.S. Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, our report on the Principal Statements referred to above includes a discussion of our consideration of FAA's internal control over financial reporting and its compliance with laws and regulations as of and for the year ended September 30, 2009. That report is an integral part of an audit of Principal Financial Statements performed in accordance with *U.S. Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, and should be read in conjunction with this report and considered in assessing the results of our audit.

Clifton Gunderson LLP

Calverton, Maryland
November 12, 2009

U.S. Department of Transportation
FEDERAL AVIATION ADMINISTRATION
Summarized Assets, Liabilities, and Net position
As of September 30
(Dollars in Thousands)

Assets	**2009**	**2008**
Intragovernmental		
Fund balance with Treasury	$ 4,064,759	$ 3,926,742
Investments, net	9,170,185	8,846,350
Accounts receivable, prepayments, and other, net	385,329	329,814
Inventory, operating materials, and supplies, net	551,127	538,837
Property, plant, and equipment, net	13,740,336	13,765,187
Total assets	$ 27,911,736	$ 27,406,930
Liabilities		
Intragovernmental liabilities		
Accounts payable and grants payable	$ 1,297,105	$ 989,499
Environmental	810,814	637,825
Employee related and other	1,430,972	1,416,839
Federal employee benefits	901,282	915,242
Total liabilities	4,440,173	3,959,405
Net Position		
Unexpended appropriations	2,150,437	920,894
Cumulative results of operations	21,321,126	22,526,631
Total net position	23,471,563	23,447,525
Total liabilities and net position	$ 27,911,736	$ 27,406,930

U.S. Department of Transportation
FEDERAL AVIATION ADMINISTRATION
Summarized Net Cost of Operations
For the years ended September 30
(Dollars in Thousands)

Lines of Business	**2009**	**2008**
Air Traffic Organization	10,900,101	10,425,206
Airports	4,034,601	3,753,675
Aviation Safety	1,176,911	1,154,872
Commercial Space Transportation	15,308	11,257
Non Line of Business Programs		
Regions and center operations and other programs	263,811	187,111
Net Cost of Operations	$ 16,390,732	$ 15,532,121

U.S. Department of Transportation
FEDERAL AVIATION ADMINISTRATION
Summarized Changes in Net Position
For the years ended September 30
(Dollars in Thousands)

	2009	**2008**
Net Position—Beginning of Year	$ 23,447,525	$ 23,925,573
Financing sources		
Excise taxes and associated revenue	10,885,772	12,278,760
Appropriations received	5,104,462	2,342,939
Net transfers out	(135,549)	(111,563)
Imputed financing and other	560,085	543,937
Total financing sources	16,414,770	15,054,073
Net Cost of Operations	16,390,732	15,532,121
Net Position—End of Year	$ 23,471,563	$ 23,447,525

NOTES TO THE SUMMARY FINANCIAL INFORMATION

Reporting Entity

The FAA, created in 1958, is a component of the DOT, a cabinet-level agency of the Executive Branch of the U.S. Government. The FAA accomplishes its mission through four LOBs that work together to create, operate, and maintain the NAS.

Basis of Presentation

The summary financial information is intended to provide users an overview of the financial status and activities of the FAA and is derived from and should be read in conjunction with the financial statements contained in the FAA's FY 2009 Performance and Accountability Report. The summary information is not a presentation in accordance with accounting principles generally accepted in the United States of America.

Assets

"Fund balance with Treasury" consists of funding available through Department of the Treasury accounts from which the FAA is authorized to make expenditures to pay liabilities. "Investments, net" consists primarily of AATF excise tax collections, which Congress has not appropriated to the FAA and which are invested in U.S. Treasury securities. "Accounts receivable, prepayments, and other, net" consists primarily of amounts owed to the FAA by other Federal agencies and the public, and advance payments to other Federal entities for agency expenses not yet incurred or for goods and services not yet received. "Property, plant, and equipment, net" consists primarily of equipment and related property that the FAA uses to operate the Nation's air traffic control system. Repair parts used to keep the air traffic control system operational constitute the majority of "Inventory, operating materials and supplies, net".

Liabilities

"Accounts payable and grants payable" represents amounts owed to vendors for goods and services received. "Environmental" represents the accrued costs to correct known environmental hazards and decommission existing assets. "Employee related and other" consists primarily of accrued personnel compensation and legal liabilities considered probable of loss. "Federal employee benefits" represents the actuarial liability for future benefits payable for death, medical, and miscellaneous costs for FAA employees under the Federal Employees Compensation Act.

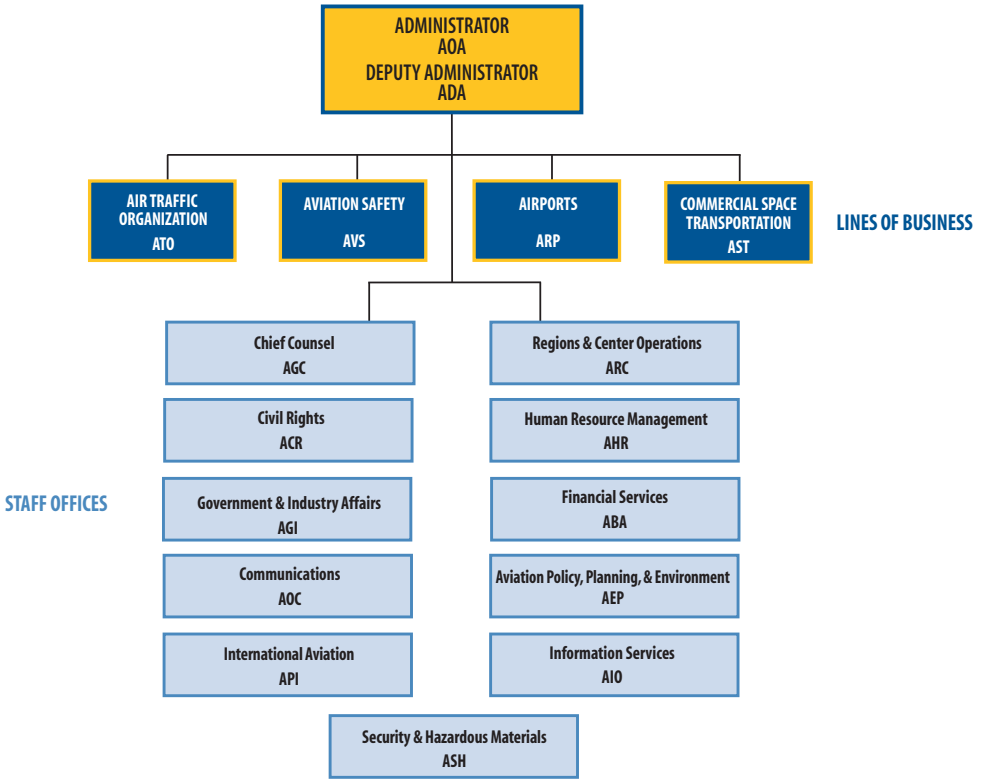
Budgetary Financing Sources

The FAA is funded primarily from excise taxes collected by the Internal Revenue Service from airway system users and deposited to the AATF. Annually, Congress enacts 1-year, multiyear, and no-year appropriations from the AATF and the General Fund of the U. S. Treasury to be used, within statutory limits, to fund the FAA's net operating and capital expenditures. "Net transfers out" represents amounts transferred between the FAA and other Federal entities. "Imputed financing and other" primarily includes FAA costs borne by other Federal entities, such as the OPM, which funds a portion of retirement costs for Federal employees.

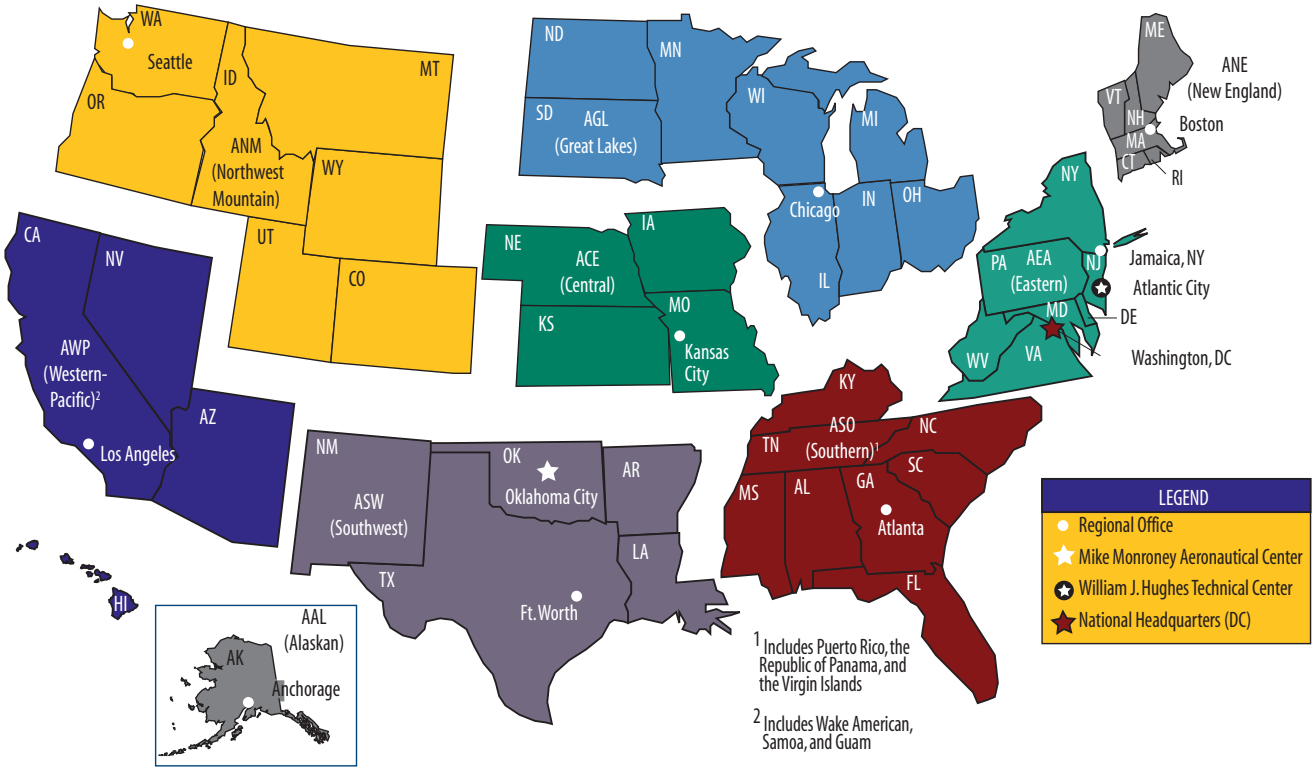
Net Position

Net position consists of unexpended appropriations and cumulative results of operations. As of September 30, 2009 and 2008, "unexpended appropriations" were $2.2 billion and $0.9 billion and "cumulative results of operations" were $21.3 billion and $22.5 billion, respectively. "Cumulative results of operations" represents certain assets of the FAA, less liabilities that will be funded by future budgetary resources and congressional appropriations.

Federal Aviation Administration Organization



Regional Map



INTERNET LINKS

FAA:
http://www.faa.gov

FAA Regional Offices and Centers:
http://www.faa.gov/about/office_org

FAA NextGen
http://www.faa.gov/about/initiatives/nextgen

FAA *Flight Plan*:
http://www.faa.gov/about/plans_reports/media/flight_plan_2009-2013.pdf

National Transportation Library:
http://www.ntl.bts.gov

U.S. Department of Transportation:
http://www.dot.gov

WE WELCOME YOUR COMMENTS!

Thank you for your interest in the FAA's FY 2009 Citizens' Report. We welcome your comments on how we can make this report more informative for our readers.

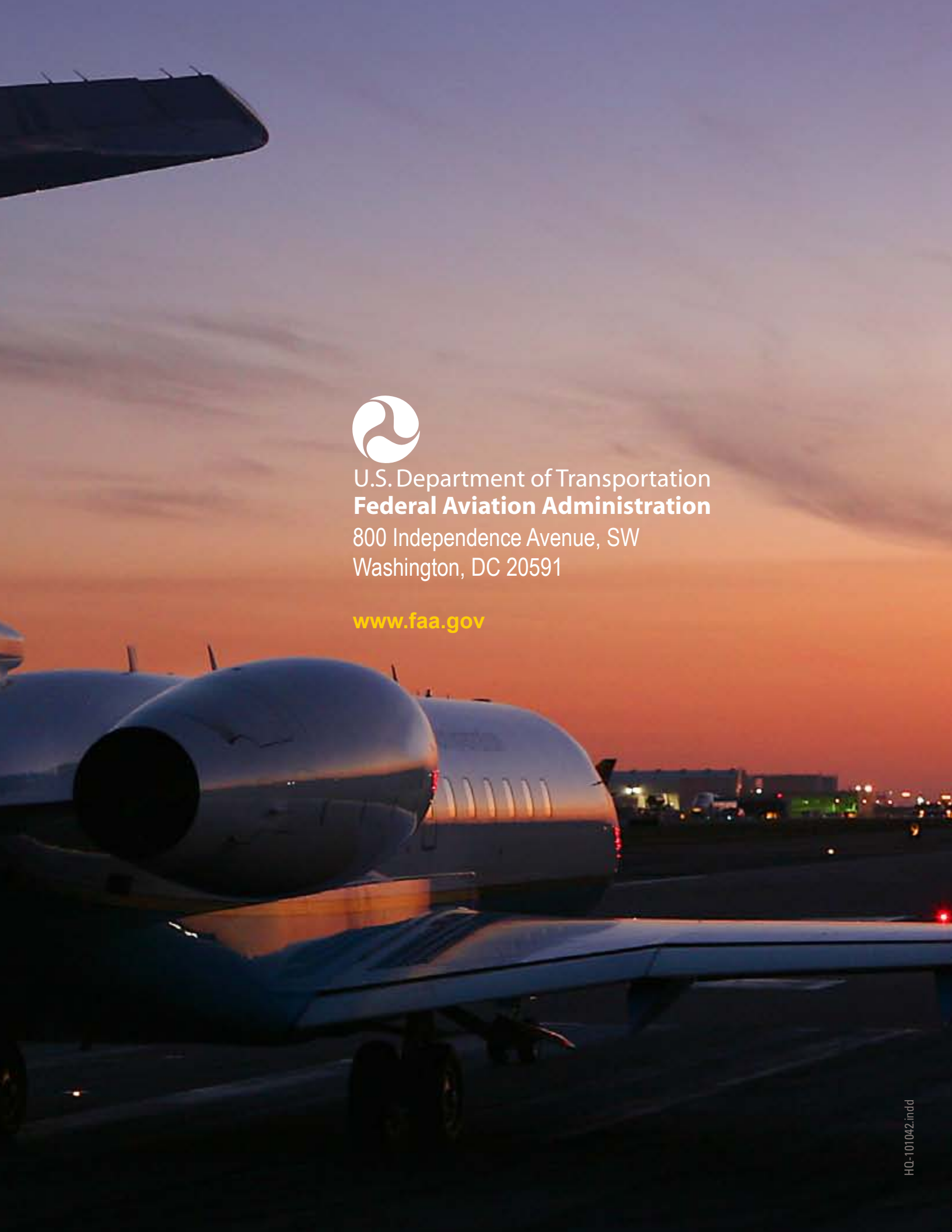
Please send your comments to

Mail:

Office of Financial Reporting and Accountability
Federal Aviation Administration
800 Independence Avenue, SW
Room 612
Washington, DC 20591

Phone: 202–267–3018
Email: Allison.Ritman@faa.gov
Fax: 202–493–4191

This report and reports from prior years are available on the FAA Web site at **http://www.faa.gov/about/plans_reports**. For a printed copy, call 202–267–3018 or email Allison.Ritman@faa.gov.



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