



FAA

U.S. DEPARTMENT OF
TRANSPORTATION
FEDERAL AVIATION
ADMINISTRATION

2018 CITIZEN CENTRIC REPORT

OUR MISSION

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

OUR VISION

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

Who We Are and What We Do

The Federal Aviation Administration (FAA) is part of the U.S. Department of Transportation (DOT). More than 2.6 million passengers fly every day in and out of U.S. airports, safely guided by the highly skilled and dedicated men and women of the FAA. The FAA is also responsible for the safe inclusion of new entrants into the airspace system, such as commercial space vehicles and unmanned aircraft.

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

- **Air Traffic Organization.** Serves as the operational arm of the FAA and is responsible for providing safe and efficient air navigation services for 29.4 million square miles of airspace.
- **Airports.** Provides leadership in planning and developing a safe and efficient national airport system; is responsible for all programs related to airport safety and inspections, and for standards of airport design, construction, and operation.
- **Aviation Safety.** Develops, establishes, administers, and enforces safety standards for all parts of the aviation industry, impacting every facet of domestic and international civil aviation.
- **Security and Hazardous Materials Safety.** Protects critical FAA assets, personnel, and the flying public from security risks, including criminal, terrorist, and insider threat actions.
- **Commercial Space Transportation.** Ensures protection of the public, property, and the national security and foreign policy interests of the United States during commercial launch or reentry activities through licensing launches, reentries, and launch and reentry sites.

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

FAACTOIDS

The FAA **OVERSEES** a system that transports

971 MILLION PASSENGERS

annually on U.S. and foreign carriers



THE FAA SAFELY GUIDES approximately

26 MILLION FLIGHTS* every year

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



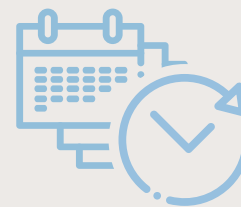
74,000

pieces of **EQUIPMENT** and **SYSTEMS OPERATE**

24 HOURS A DAY

7 DAYS A WEEK

365 DAYS A YEAR



THE FAA MAINTAINS

FAA-operated or FAA-contracted towers at more than

500 AIRPORTS



THE FAA. ADVANCING AVIATION.

How We Are Doing

To fulfill our mission, the FAA is guided by four strategic priorities shown in the tables below. For each priority, we develop a strategic objective and performance measures that guide our activities and progress. We measure our progress annually.

Below is a summary of the FAA's FY 2018 performance:

Strategic PRIORITY: Make Aviation Safer and Smarter			
Strategic OBJECTIVE: Build on safety management principles to proactively address emerging safety risks by using consistent, data-informed approaches to make smarter, system-level, risk-based decisions.			
Performance Measure	FY 2017 Results	FY 2018 Target/Results	FY 2018 Status
Commercial Air Carrier Fatality Rate In FY 2018, the commercial air carrier fatality rate will not exceed 6.2 fatalities per 100 million people on board.	0.3 ¹	6.2 0.1 ²	✓
Runway Incursions Rate Reduce Category A & B (most serious) runway incursions to a rate of no more than 0.395 per million operations.	0.159	0.395 0.132 ³	✓
System Risk Event Rate Limit the rate of the most serious losses of standard separation to 10 or fewer for every thousand losses of standard separation within the national airspace system.	2.24	10 2.97 ³	✓
Information Technology Risk Management and Information Systems Security Address 80 percent of high value risks within 30 days. Continue oversight by the Cybersecurity Steering Committee to assure consistent risk acceptance decisions.	100%	80% 100%	✓
General Aviation Fatal Accident Rate Reduce the general aviation fatal accident rate to no more than 1.00 fatal accidents per 100,000 flight hours.	0.84 ¹	1.00 0.89 ²	✓
Commercial Space Launch Accidents No fatalities, serious injuries, or significant property damage to the uninvolved public during licensed or permitted space launch and reentry activities.	0	0 0	✓
Unmanned Aircraft Systems (UAS) - Authorizations Reduce the average time for processing Part 107 airspace authorizations by at least 15 percent to an average of 72 days by September 30, 2018.	New measure for FY 2018	72 50	✓
Unmanned Aircraft Systems (UAS) - Waivers Reduce the average time for processing Part 107 operational waivers to 50 days by September 30, 2018.	New measure for FY 2018	50 17	✓

✓ Target met ✗ Target not met

- 1 Preliminary estimate; National Transportation Safety Board will confirm in March 2019. We do not expect any change in the result to be significant enough to alter our year-end status of achieving the target.
- 2 Preliminary estimate; National Transportation Safety Board will confirm in March 2020. We do not expect any change in the result to be significant enough to alter our year-end status of achieving the target.
- 3 Preliminary estimate until the final result becomes available in January 2019. We do not expect any change in the final result to be significant enough to alter our year-end status of achieving the target.

Strategic PRIORITY: Deliver Benefits Through Technology and Infrastructure			
Strategic OBJECTIVE: Lay the foundation for the national airspace system of the future by achieving prioritized NextGen benefits, integrating new user entrants, and delivering more efficient, streamlined services.			
Performance Measure	FY 2017 Results	FY 2018 Target/Results	FY 2018 Status
NextGen Advisory Committee Recommendations Achieve 80 percent (18 of the 23) NextGen Priorities Joint Implementation Plan commitments, excluding industry-controlled milestones, within a calendar-quarter of their scheduled dates and within 10 percent of the planned cost.	92%	80% 91.3%	✓
Major System Investments Maintain 90 percent of major baselined acquisition programs within 10 percent of their current acquisition cost, schedule, and technical performance baseline as of the end of FY 2018.	95%	90% 90.5%	✓
Domestic Commercial Aircraft Fuel Consumption Ensure fuel burn from domestic commercial aircraft operations do not exceed base year 2005 levels (42.1 Tg).	38.2	≤ 42.1 40.6	✓
Noise Exposure Reduce the number of people exposed to significant aircraft noise to less than 302,000 in calendar year 2017.	408,000	302,000 454,000	✗
Unmodified Audit Opinion Obtain an unmodified audit opinion with no material weakness on the agency's financial statements.	✗	Unmodified audit opinion w/no material weakness	✓

✓ Target met ✗ Target not met

Strategic PRIORITY: Enhance Global Leadership			
Strategic OBJECTIVE: Improve safety, air traffic efficiency, and environmental sustainability across the globe through an integrated data-driven approach that shapes global standards, enhances collaboration and harmonization, and better targets FAA resources and efforts.			
Performance Measure	FY 2017 Results	FY 2018 Target/Results	FY 2018 Status
Enhance Global Leadership Develop data-informed regional and global priorities for inclusion in the FAA International Strategy to inform FAA engagement decision-making.	Priorities added to international strategy	Add priorities to int'l strategy Priorities added to int'l strategy	✓

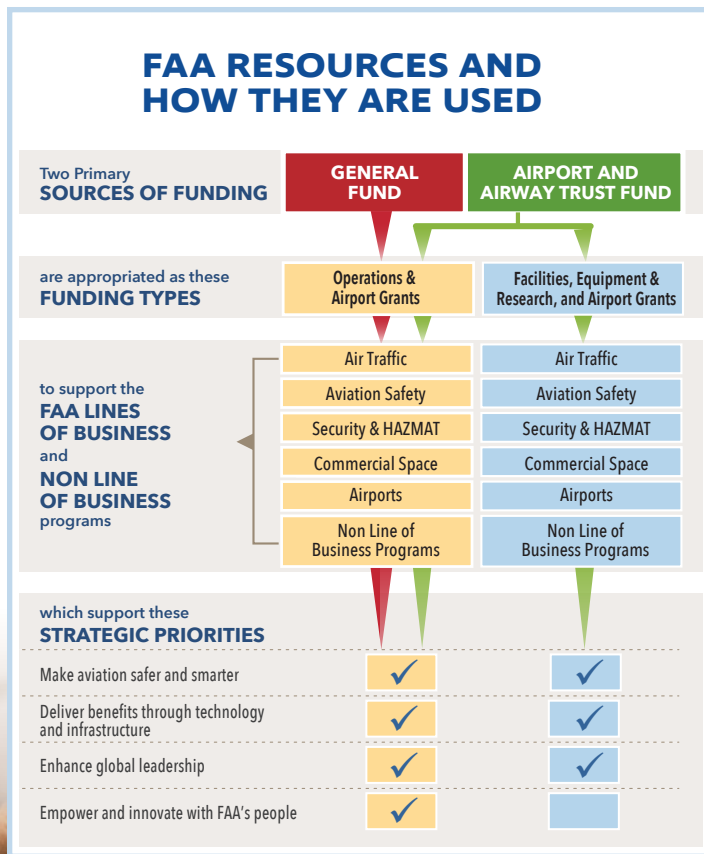
✓ Target met ✗ Target not met

Strategic PRIORITY: Empower and Innovate with the FAA's People			
Strategic OBJECTIVE: Prepare FAA's human capital for the future by identifying, recruiting, and training a workforce with the leadership, technical, and functional skills to ensure the United States has the world's safest and most productive aviation sector.			
Performance Measure	FY 2017 Results	FY 2018 Target/Results	FY 2018 Status
Employee Engagement Index Increase the Agency's Employee Engagement Index score to 70 percent positive.	68%	70% 68%	✗

✓ Target met ✗ Target not met

FAA Resources and How They Are Used

The FAA receives budget authority to obligate and expend funds from both the Department of the Treasury's General Fund and the Airport and Airway Trust Fund (AATF). In FY 2018, the FAA operated with a \$18.1 billion budget and 45,067 employees. Unlike many other federal government entities, the vast majority of FAA's funding comes directly from users of the aviation system through ticket taxes and fees that are deposited to the AATF. The AATF pays for FAA's facilities, equipment, research, and a majority of operations funding and airport grants. In FY 2018, the AATF provided 85% of funding necessary to operate the FAA. The other 15% of funding came from the General Fund of the U.S. Treasury.

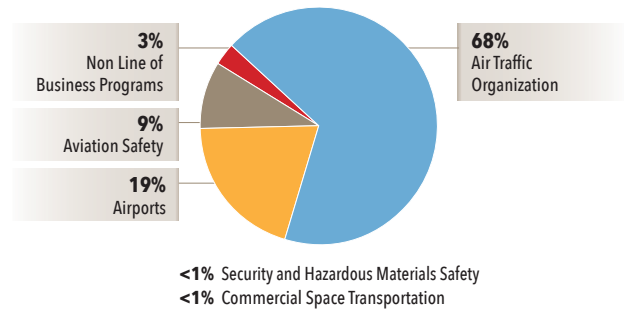


MORE INFORMATION ABOUT OUR PERFORMANCE CAN BE FOUND IN OUR FY 2018 PERFORMANCE AND ACCOUNTABILITY REPORT AT

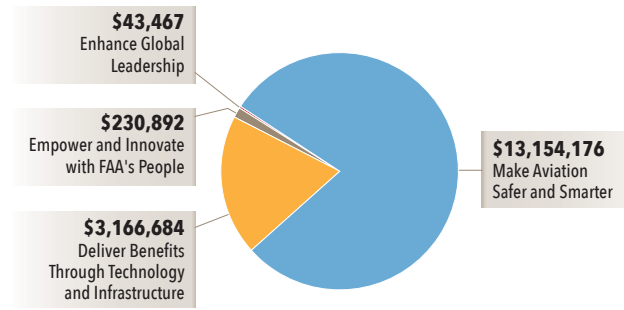
https://www.faa.gov/about/plans_reports/media/2018_PAR.pdf

For the fiscal year ended September 30, 2018, the FAA's net costs were \$16.6 billion. The Net Costs By Organization chart shows the distribution of costs among the FAA's five lines of business and non-line of business programs. The Net Costs By Strategic Priority Area chart shows the allocation of net costs to the FAA's four strategic priorities.

NET COSTS BY ORGANIZATION
for the fiscal year ended September 30, 2018



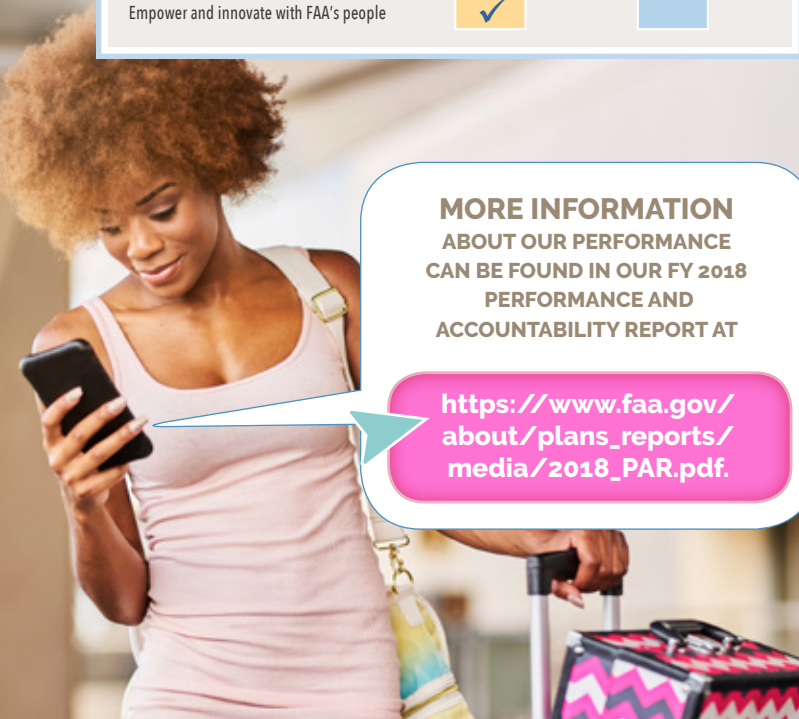
NET COSTS BY STRATEGIC PRIORITY AREA
for the fiscal year ended September 30, 2018
(Dollars in Thousands)



The Air Traffic Organization is the FAA's largest line of business, comprising 68% (\$11.3 billion) of total net costs. The Air Traffic Organization's net costs decreased slightly by \$45.8 million, primarily from decreases in costs for equipment and contractor services partially offset by increases in costs for labor and benefits, materials and supplies and other costs allocations.

The FAA's line of business with the second largest net cost is Airports, comprising 19% (\$3.2 billion) of the FAA's total net costs. Airports' net costs are comprised primarily of improvements to our nation's airports from the Airport Improvement Program. These improvements are made through grants to airport authorities, local and state governments, and metropolitan planning authorities throughout the United States and its territories.

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



Challenges Ahead

As we look back on the 60 years since the formation of FAA and our dedication to safety that has allowed aviation to become the safest form of transportation in the world, we are also facing a number of challenges—many of which relate to exciting advancements in aviation technology.

Since the day when the Wright brothers made our dreams of flight a reality, aviation has seen great advances. It has become central to the way we live and do business. Now transformational progress is with us again with developments in unmanned aircraft systems, commercial space transportation, and supersonic aircraft. The challenges posed by these rapid changes in aviation technology will require new thinking about the agency and how we do our work. Among the questions and challenges of the day are these:

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

As we address and meet the challenges presented by advancing aviation technology, integrate drones and other new users, and address other important questions of the day, our commitment to safety and our aviation industry partnerships will continue to guide us.



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



THANK YOU FOR YOUR INTEREST IN THE FAA.

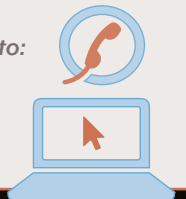
WE WELCOME YOUR COMMENTS

on how we can make this report more informative for our readers.

Please send your comments to:

EMAIL: PAR@faa.gov

PHONE: 202-267-9105



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



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

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



Facebook: www.facebook.com/FAA

Flickr: www.flickr.com/photos/FAANews

Twitter: www.twitter.com/FAANews

YouTube Channel: www.youtube.com/FAANews

LinkedIn: www.linkedin.com/company/faa

