DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

INSPECTOR GENERAL'S
TOP MANAGEMENT CHALLENGES
FOR FISCAL YEAR 2016:

FAA'S ACTION PLANS

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MANAGEMENT CHALLENGE	
Addressing the increasing public safety risks posed by the transportation of hazardous materials	
Lead FAA Organization	Security and Hazardous Materials Safety
Why is this issue significant?	The transportation of hazardous materials (hazmat) by air can present serious safety risks, and it is important for the FAA to have effective programs to address that risk. In 2006, FAA established the Hazardous Materials Voluntary Disclosure Reporting Program (HM VDRP). This program allows air carriers to voluntarily disclose violations of hazmat regulations without receiving civil penalties. The program is designed to encourage compliance with regulations, foster safe operating practices, and promote the development of internal evaluation programs by air carriers.
Actions Planned for 2016	• The FAA will work on completing revisions to the HM VDRP Advisory Circular 121-37 that requires cases to be closed only after sufficient evidence that comprehensive fixes and self-audits were completed is provided to the FAA and verified. • In its revisions to Advisory Circular 121-37, the FAA will inform air carriers of the criteria for sufficient evidence of completion of comprehensive fixes and self-audits. • The FAA will begin tracking at headquarters to verify that HM VDRP submissions being addressed by regional offices are consistent with policies and AC 121-37. • The FAA will require field offices to enter data from HM VDRP cases into FAA's Aviation Hazmat Portal AHP database, and verify that detailed information on these cases are also entered into the AHP database, until HM VDRP submissions can be entered into VDRP system (see below). • The FAA will begin to modify its VDRP system to integrate HM VDRP data in lieu of developing a separate automated system or external web portal for HM VDRPs.

	• The FAA will combine HM VDRP data with data from other sources, such as inspections, when analyzing air carrier hazmat activities for safety risks. • The FAA will continue to train FAA Regions on HM VDRP requirements through discussion and participation in the drafting of HM VDRP policies and AC 121-37 revisions, and provide WebEx briefings following final approval of those policies and AC 121-37 revisions.

MANAGEMENT CHALLENGE	
Integrating unmanned aircraft systems safely into the National Airspace System	
Lead FAA Organization	Office of Aviation Safety
Why is this issue significant?	Analysts predict that over the next decade as much as $93 billion will be invested in UAS technology across the globe. Safely integrating UAS into the nation's airspace presents a challenge for the FAA both because of the industry's fast expansion and because of variations in UAS size, purpose and design.
Actions Planned for 2016	• The FAA plans to finalize its regulation on small UAS by late spring 2016. • The FAA will develop and implement an electronic registration system for small UAS, including the ability to register commercial aircraft, by June 2016. • The FAA will publish updated oversight guidance for aviation safety inspectors by spring 2016 • The FAA will continue to participate in and guide the development of industry consensus of technology standards for integration of UAS into the national airspace: o RTCA Special Committee 228 is developing minimum operational performance standards, with the publication of command and control standards expected in September 2016. o American Society for Testing and Materials is developing industry consensus standards for design, production, and qualification of UAS and control stations. o International Civil Aviation Organization (ICAO) Remotely Piloted Aircraft Systems Panel is developing Standards and Recommended Practices (SARPS) amendments to the Annexes to the Convention on International Aviation.

	○ Joint Authorities for the Rulemaking of Unmanned Systems (JARUS) is developing technical, safety, and operational standards. • The FAA will continue to work on upgrading its existing UAS events tracking database to incorporate increased levels of automation and analytical capability.

MANAGEMENT CHALLENGE	
Protecting the Department of Transportation against more complex and aggressive cyber security threats	
Lead FAA Organization	Air Traffic Organization
Why is this issue significant?	The Department of Transportation uses more than 450 information systems to conduct business and operate some of the nation's most critical transportation systems. Many of these systems have data that are of potential interest to hackers. Preparing effective contingency plans and resolving longstanding vulnerabilities are critical for reducing the risk of catastrophic cybercrime and maintaining continuity of the FAA's vital systems in the event of a malicious attack.
Actions Planned for 2016	• The FAA will establish a centralized function within the Air Traffic Organization for managing multiple aspects of air traffic control operational contingency planning, including policy and oversight. • The FAA will develop requirements for transferring air traffic control services from one facility to another in the event of a disruption ("divestment"); coordinate the implementation of those requirements among regional offices and air traffic facilities; and develop and implement Air Route Traffic Control Center (ARTCC) airspace divestment plans that meet these requirements.

MANAGEMENT CHALLENGE	
Adopting effective practices for managing FAA acquisitions	
Lead FAA Organization	Finance and Management
Why is this issue significant?	Each year the FAA requires a variety of systems, facilities, services and infrastructure to fulfill its mission. The FAA's Acquisition Management System (AMS) establishes the policy and guidance that the FAA uses to identify, define, acquire, deploy and manage those needs. Effective implementation of the AMS is critical to ensuring the success and long-term viability of the FAA's programs and systems. Failure to effectively implement its acquisition programs could result in large cost overruns and scheduling delays. It could also put the FAA's NextGen modernization effort at risk.
Actions Planned for 2016	• This year, the FAA plans to complete completed its AMS 2016 effort. Under this effort, the agency performed a process review and risk analysis of the Acquisition Management System (AMS) acquisition lifecycle. Goals of the review included identifying areas of improvement, incorporating government and private sector best practices where feasible and ensuring that the AMS process efficiently and effectively supported FAA mission requirements. • With the completion of AMS 2016, this year the FAA plans to publish revisions to AMS policy and guidance. These revisions will focus on areas that received the most user feedback and recommendations from the IG: market analysis, effective cost and price analysis, and consistent assessment of proposed contract actions through the Chief Financial Officer review process. • After the completion of AMS 2016, the FAA will train employees and key stakeholders in order to integrate changes to the AMS into existing operations. • In FY 2016, the FAA will refine its metrics to measure the performance of the AMS. These refinements will help the FAA better measure the effectiveness of the AMS.

MANAGEMENT CHALLENGE	
Developing and sustaining an effective and skilled workforce	
Lead FAA Organizations	Air Traffic Organization & Office of Aviation Safety
Why is this issue significant?	The success of FAA's mission depends on maintaining highly skilled workforces, including its air traffic controllers and employees who oversee the safety of our air transportation system. In addition, the FAA makes use of its Organization Designation Authorization (ODA) program, which allows the agency to delegate certain functions, such as approving new aircraft designs and certifying aircraft components, to aviation manufacturers and other organizations. In addition to hiring and developing its own workforce, the FAA needs to maintain sufficient staffing levels for conducting ODA oversight.
Actions Planned for 2016	• The FAA is expanding the model used to estimate staffing needs for aircraft certification to include the Boeing Aviation Safety Oversight Office. The inclusion of the Boeing Office in FY 2016 will provide additional workload drivers to increase the model's capability to forecast the staffing levels required to support ODA oversight. FAA will review the updated model results with the inclusion of the Boeing Office by June 2016. • In FY 2016, FAA will enhance its Labor Distribution Reporting (LDR) system as a tool to track activities associated with ODA oversight. FAA will review and analyze the new ODA Labor Distribution Reporting (LDR) codes and reporting processes for individual ODA oversight activities by June 2016. The analysis will enable potential adjustments to be made in the alignment of LDR hours consumed and work activities accomplished before the end of the fiscal year. • Throughout FY 2016, the FAA will continue to support the air traffic controller basic qualification training working group under the Aviation Rulemaking Advisory Committee. This working group includes a broad range of academic and industry stakeholders working with FAA experts and tasked with evaluating possible alternative visions to national hiring and training of air traffic controllers.