DEPARTMENT OF TRANSPORTATION INSPECTOR GENERAL TOP MANAGEMENT CHALLENGES FOR FISCAL YEAR 2015

FEDERAL AVIATION ADMINISTRATION

ACTION PLANS

TABLE OF CONTENTS

MANAGEMENT CHALLENGE	
Chapter 1: Addressing Underlying Causes for Limited NextGen Progress	
Issue: 1A	Addressing Underlying Causes for Limited NextGen Progress FAA has been working to develop NextGen, which is expected to provide safer and more efficient air traffic management. NextGen involves a significant overhaul of the NAS to shift from ground-based radar air traffic management systems to more effective satellite-based systems. FAA's NAS EA—a key strategic planning tool for transforming the Nation's air traffic system—includes 14 roadmaps with numerous NextGen integration and investment decision points (DP). These decisions indicate FAA's approval of (1) a particular improvement/sustainment initiative, (2) an investment decision that must precede implementation of an improvement initiative, or (3) the research and/or analysis needed prior to an investment decision or implementation. The EA along with supporting roadmaps and decision points are approved annually by the Joint Resources Council (JRC).
ACTION PLAN	
Cognizant Organization:	NextGen Organization, ANG
Tools to be Used to Resolve the Issue:	**NAS Enterprise Architecture (EA)** The enterprise architecture provides a most likely path for the evolution of the NAS including the transformational programs. This path included projected milestones with schedules and cost based on engineering judgment for the long term investments. The plan provides an affordable estimate based on outyear guidance extrapolated into the future. For near-term investments the detail in the architecture is of higher fidelity since it reflects the baseline line decision made at the final investment. In between these two levels of maturity lie the investments that are in progress. These investments address validated shortfalls but the schedules are subject to both dependencies on the current and future schedule of legacy programs, as well as affordability for either higher cost derived through the investment process or budget guidance which may require moving the investment to the right. **NextGen Segment Implementation Plan (NSIP)** The FAA established the NextGen Segment Implementation Plan to ensure NextGen programs and capabilities are implemented in a structured environment and allow system interdependencies to become more visible. Initiatives in the Segment Alpha timeframe (covering years 2010-2015) are approaching completion; while initiatives in the Segment Bravo timeframe (covering years 2016-2020) are currently in progress. Recognizing that modernization efforts must leverage and take into account on-going sustainment

	activities, the NSIP has been re-named the NAS Segment Implementation Plan (NSIP). **Portfolio Management Reviews (PfMRs)** We host regular Portfolio Management Reviews with multiple Lines of Business (LOB) within the agency to ensure transparency on program interdependencies in the NAS. Portfolio updates are also briefed. The reviews are held on a semi-annual basis.	
Time Needed to Resolve the Issue:	The deployment of NextGen capabilities is ongoing. The NSIP identifies all of the planned system and procedural changes; identifies their interdependencies; and tracks their implementation. NextGen will continue to update key planning tools such as the NSIP and the NAS EA annually.	
Specific steps to be taken in FY 2015:	NSIP Annual Update NAS EA Annual Update PfMR Meetings	January 2015 January 2015 Semi-annually through 2015 and beyond
Expected Results, this year and in the future:	As to the organizational changes, within the last few years both a Deputy Administrator and a new Assistant Administrator for NextGen have been named. These individuals are very active in establishing the future course of NextGen including full engagement with the community through the NextGen Advisory Committee. Internally the establishment of the Program Management Office has supported improved program management practice and execution oversight. The agency continue to progress in these areas. The FAA has applied an incremental segment approach towards implementing programs and managing its major capital investments in an effort to reduce risk, promote stakeholder collaboration, and provide phased benefits. This approach allows us to properly define requirements for capabilities in the near to mid-term, which reduces the likelihood of cost overruns and schedule slippage and increases the likelihood of staying on target with baselined program costs and schedules. Segmenting large-complex programs and developing an integrated schedule aligns with OMB's capital planning guidance and GAO best practices. Although requirements for the transformational programs are continuing to evolve and defining an end-state for cost, schedule, and capabilities may be difficult at this time, a clearer line of site for NextGen initiatives is a priority.	

MANAGEMENT CHALLENGE	
Chapter 1: Modernizing the National Airspace System and Addressing Organizational Challenges	
Issue: 1B	Implementing NextGen Investment Priorities The success of FAA's NextGen efforts depends on the Agency's ability to set priorities, deliver benefits, and maintain stakeholder support. FAA is currently responding to a September 2013 report from the Government-industry NextGen Advisory Committee on industry's highest priorities for NextGen. Since April 2014, FAA and industry have been working to develop a master implementation plan for (1) advancing Performance-Based Navigation (PBN)—the top priority since it could provide the most near-term benefits, (2) employing closely spaced parallel runway operations, (3) enhancing airport surface operations through data sharing, and (4) developing data communications capabilities between the cockpit and air traffic control. The Office of the Inspector General (OIG) believes that several longstanding NextGen challenges could undermine the FAA's efforts to finalize and execute this plan. The FAA disagrees with the OIG's assessment as the stated concerns, which include addressing differing priorities between FAA and industry, resolving key barriers to implementing PBN (e.g., the lengthy development and approval process for new PBN procedures) and the ability of the FAA to establish accountability for implementing its upcoming plan, were resolved in the development of the NextGen Priorities Joint Implementation Plan and the FAA's published Plan oversight process.
ACTION PLAN	
Cognizant Organization:	NextGen Performance & Outreach (ANG-F); Advanced Concepts & Technology Development (ANG-C)
Tools to be Used to Resolve the Issue:	The FAA, in collaboration with the aviation industry through the NextGen Advisory Committee, has developed the NextGen Priorities Joint Implementation Plan. This Joint Implementation Plan, which was delivered to Congress on October 17, 2014, summarizes the high-level commitments the FAA will accomplish over the next three years, the industry commitments necessary for those activities to be successful, and a timeline of milestones and locations. The FAA also has developed a NextGen Priorities Joint Implementation Plan Oversight Process that will ensure the same level of rigor is applied to the completion of the Joint Implementation Plan that was the hallmark of its development. The NextGen Priorities website (www.faa.gov/nextgen/snapshots/priorities) tracks and reports the milestone completions.
Time Needed to Resolve the Issue:	The Joint Implementation Plan includes activities in four focus areas that will be completed over the next three years. The Multiple Runway Operations commitments include the increased use of wake categorization and improvements for dual and independent parallel runway operations at 28 airports, which will improve runway access

	and can increase basic runway capacity and throughput to increase efficiency and reduce flight delays. With the commitment of three metroplex sites — Northern California, Charlotte, and Atlanta — and the deployment and development of other Performance Based Navigation (PBN) procedures that primarily use satellite-based navigation and on-board aircraft equipment, the FAA will improve air traffic flow in major metropolitan areas while providing a variety of benefits to national airspace system users across the country. Surface Operations commitments are designed to increase predictability and provide actionable and measurable surface efficiency improvements through increased data sharing with stakeholders. Data Communications services at 56 airport towers will provide digital communications services between pilots and air traffic controllers, and enhanced air traffic control information to airline operations centers, thereby enhancing safety by reducing communication errors, increase controller productivity, and increase airspace capacity and efficiency while reducing delays, fuel burn, and carbon emissions.
Specific steps to be taken in FY 2015:	There are several milestones for each of the four focus areas scheduled to be completed in FY 2015. Details of those activities can be found on the NextGen Priorities website (www.faa.gov/nextgen/snapshots/priorities). A summary of these milestones include: • Multiple Runway Operations: 3 milestones by December 31, 2014 (completed); 2 milestones by March 31, 2015 (completed); 5 milestones by June 30, 2015; 2 milestones by September 30, 2015. • Performance Based Navigation: 1 milestone by March 31, 2015 (completed); 1 milestone by September 30, 2015. • Surface Operations and Data Sharing: 1 milestone by December 31, 2014 (completed); 3 milestones by March 31, 2015 (completed); 1 milestone by June 30, 2015; 6 milestones by September 30, 2015. • Data Communications: 2 milestones by March 31, 2015 (one completed); 2 milestones by June 30, 2015.
Expected Results, this year and in the future:	The commitments include both operational implementations of NextGen capabilities and pre-implementation activities, such as feasibility assessments, introduction of new national standards, and safety cases. While operational capabilities will be available for NAS users immediately, the full benefit of these capabilities will be realized when operators begin to use them on a routine basis. The operational impact will be measured against existing FAA operational performance metrics, which are showcased on both the Snapshots page as well as the agency's Harmonized Metrics website (http://www.faa.gov/about/plans_reports/operational_metrics/).

MANAGEMENT CHALLENGE	
Chapter 1: Modernizing the National Airspace System and Addressing Organizational Challenges	
Issue: 1C	Deploying Key Controller Automation Systems and Resolving Vulnerabilities Regarding "Deploying key controller automation systems and resolving vulnerabilities," the FAA has made significant progress in deploying the two core automation platforms that support NextGen – the En Route Automation Modernization (ERAM) and the Terminal Automation Modernization Replacement (TAMR) programs. TAMR is the program name that is implementing the Standard Terminal Automation Replacement System (STARS) system as the common automation system in in low altitude airspace at airports and approach control facilities. ERAM is nearly complete deploying and already has NextGen capabilities integrated into it like re-routing and Automatic Dependent Surveillance – Broadcast (ADS-B). TAMR/STARS is in full deployment mode and where deployed also is enabling NextGen capabilities like ADS-B/Fusion.
ACTION PLAN	
Cognizant Organization:	Program Management Office (PMO), Air Traffic Systems Organization (AJM-2)
Tools to be Used to Resolve the Issue:	To date the ERAM program office has achieved operations at each of its 20 facilities, and commissioned ERAM into the NAS for full-time use at 16 of those 20 facilities. Since then ERAM has achieved 19 of 20 sites operating continuously on ERAM and remains well positioned to achieve Operational Readiness Date (ORD) at all 20 sites by March 2015. These outcomes on ERAM have been generated through (1) improved software quality through institutionalization of enhanced early site test processes, (2) continued collaboration with key National Air Traffic Controller Association (NATCA) and Professional Aviation Safety Specialist (PASS) unions, (3) strengthened performance incentives and quality controls in the renegotiated prime vendor contract, and (4) enhanced local planning processes at sites that provide consistent data to proactively plan necessary software release components. To date the TAMR program office has completed all of its schedule milestones on or ahead of schedule. These include deploying STARS to new sites where ADS-B can now be enabled. Additional STARS has replaced older automation systems at two of eleven sites providing a common platform on which new NextGen capabilities will be developed in the coming years. The TAMR program has employed the following tools that are part of these successes: (1) continued evaluation of potential requirements through the Engineering Change Proposal Working Group (ECPWG), (2) partnered to support the thorough and expeditious evaluation,

	disposition, and implementation of STARS hardware, firmware, and related Commercially Available Software ECPs, and (3) established processes and collaborative forums with users to identify additional functionality needed for operational suitability and engage stakeholders in regular communications to promote a smooth transition to STARS.	
Time Needed to Resolve the Issue:	As it relates to the issues cited in the report, the ERAM and TAMR program offices have introduced new processes and personnel to ensure the baselined schedule and budget can be appropriately managed, thereby maintaining the schedule of other programs in varied stages of delivery that rely on integrating with ERAM and TAMR (from early concept development to Joint Resource Council-approved baselines). These activities have been implemented and demonstrated success on ERAM during FY2014 and will be continued throughout FY2015 in completing the baseline, with specific dates and deliverables outlined later in this document.	
Specific steps to be taken in FY 2015:	Achieve last-site ORD on ERAM.	Q2 2015
	To facilitate continued program success, and to reduce the risk of integrating NextGen capabilities into the program baseline, the Agency is collaboratively working with its union partners to identify how to tailor current best-practices (such as the National User Team, National Packaging Team, and Article 48/13) to address future requirements and program needs	Q3 2015
	To further strengthen ERAM, the Agency and its union partners are collaboratively working through the program to investigate design concepts for improving areas of overall system performance and reliability.	Ongoing
	System Enhancements and Technical Refresh (SE/TR) facilitates capturing and planning for implementation of enhancements. This will help ERAM implementation sites and stakeholders focus on fixes needed to complete the waterfall and defer enhancements to the system into later releases, after all sites are fully operational on ERAM. The program is planning how to evolve its current governance processes to	Ongoing

	leverage best-practices in the SE/TR program.	
	In FY15, the program will be finalizing engineering and benefits analysis associated with potential enhancements to continue to strengthen overall system reliability and stability.	Q4 2015
	The PMO created process standards for formally managing requirements changes and TAMR will be building program standard operating procedures based on those	Completed, Q1 FY 2014
	The TAMR program has established processes and collaborative events, known as STARS User Team Event with users, including but not limited to Air Traffic Controllers, Technical Operations Specialists, Management and Operational Support Facility staff, to identify additional functionality needed for operational suitability and engage stakeholders in regular communications to promote a smooth transition to STARS.	Ongoing
	In the area of software testing, the TAMR program is also incorporating lessons learned from the ERAM program. The test strategy for TAMR includes a range of structured events with entrance and exit criteria for deploying new software to TRACONs. This includes: a) early user involvement events involving controller participation in system testing prior to government acceptance of new STARS Releases; b) informal risk mitigation testing by the vendor for the program office prior to software delivery to the William J. Hughes Technical Center STARS test facility; and c) formal operational test to verify all changes to the STARS software baseline, prior to software delivery to the sites.	Ongoing

Expected Results, this year and in the future:	Based on the approach outlined above, the ERAM program expects continued improvements in schedule and cost performance, thus addressing the issues raised in the report. The program has seen a decline in software and technology related issues (such as high reliability and a drastic reduction in discrepancies and trouble tickets from the sites), and is expecting to see more improvements. Additionally, while performance monitoring mentioned above indicates ERAM is meeting design requirements, the Agency is committed to minimizing instances of exception-based failures or other unique sets of circumstances that introduce potential risk to the operation. The program is also expecting to complete baseline deployment by Q2 FY 2015 as planned. Across both programs, the coordination with NextGen initiatives such as Time-Based Flow Management(Work Package 2 and Work Package 3), Traffic Flow Management System, Automatic Dependant Surveillance-Broadcast , and DataComm has been facilitated through PMO portfolio construct (ATS directorate) and best practices, including: • The introduction of a capability management function and set of processes focused on integrating plans, activities, and reporting across baselined programs to facilitate achieving desired NextGen outcomes. • An integrated approach to program and portfolio reviews that includes stakeholders from the PMO, NextGen, Operational Requirements organizations and others. • A standard approach to risk, issues, and opportunities management both within and across programs in the Air Traffic Systems and PMO portfolio, to help ensure things be appropriately identified and mitigated (for risks and issues) or leveraged (for opportunities) Based on the approach outlined above, the TAMR program expects improvements in schedule and cost performance, thus addressing the issues raised in the report. In order to mitigate additional potential long-term risks, the Program is undertaking a three-pronged approach: • The Program facilitated a series of planning workshops with multiple stakeholder communities (program office, terminal operations, NATCA, terminal second level support, and others as-needed) and updated the Estimate to Complete Q3 FY2014. This estimate is under review by the Agency and will be presented to the JRC in FY15. • The Program has established a new Terminal Automation Systems Enhancement budget line within the Capital Investment Plan to accommodate newly identified perfective and corrective changes required to meet the needs of the Terminal Users in any of the program segments. Formal approval for this new funding line is being requested at the TAMR FY15 JRC.

	• As part of the forecasted need, there are a series of controls and preventative measures that are in progress to reduce future financial risk. This includes improved requirements and issues disposition through standup of a formal Article 48/Article 13 Working Group, who will recommend for approval all future requirements changes.

MANAGEMENT CHALLENGE	
Chapter 1: Modernizing the National Airspace System and Addressing Organizational Challenges	
Issue: 1D	Integrating Unmanned Aircraft Systems Integrating Unmanned Aircraft Systems (UAS) into the National Airspace System (NAS) represents a significant economic opportunity for the United States, with some forecasts projecting as much $89 billion in UAS investment worldwide over the next 10 years. *The FAA Modernization and Reform Act of 2012* (FMRA) required the Federal Aviation Administration (FAA) to safely integrate UAS into the NAS no later than September 30, 2015. FAA recently took a step forward in broadening commercial UAS use by approving regulatory exemptions for six film industry companies to operate UAS on a limited basis. However, the Agency has not fully addressed the significant technological, regulatory, and management barriers to achieve safe integration for all UAS. These barriers include reaching consensus with industry on standards for technology that will enable UAS to detect and avoid other aircraft, establishing an overall regulatory framework for UAS integration, and effectively collecting and analyzing UAS safety data to identify risks. Additionally, a prime enabler of UAS integration, the release of the small UAS Notice of Proposed Rulemaking, has been delayed until 2015.
ACTION PLAN	
Cognizant Organization:	Aviation Safety/Flight Standards Service/UAS Integration Office
Tools to be Used to Resolve the Issue:	FAA-approved UAS Research and Development portfolio with requirements that address critical integration issues. The UAS ExCom Senior Steering Group Public Standards Working Group deliverable. Establishing FAA Designated Airworthiness Representatives (DARs) at each interested UAS Test Site location. Safety data from UAS operators as required by their Certificate of Waiver or Authorization (COA).

Time Needed to Resolve the Issue:	UAS integration into the NAS will be incremental. Currently, UAS operators may obtain authority to fly UAS in the NAS by applying for a COA (generally for public use aircraft), by obtaining a Special Airworthiness Certificate (for experimental use/research and development of unmanned aircraft systems), and by petitioning for exemption under Section 333 of the FMRA for commercial operations. Commercial operations approved under section 333 are specific, limited, and low-risk. The FAA has established, under direction of the UAS ExCom Senior Steering Group, the Federal Public UAS Standards Working Group. This group is tasked with developing requirements for UAS operated by federal, state and local governments. For certification standards non-governmental operators, the FAA is establishing a process by which test sites may perform airworthiness certification of civil unmanned aircraft systems using processes and standards specified in Order 8130.34C, "Airworthiness Certification of Unmanned Aircraft Systems and Operationally Piloted Aircraft." FAA is prepared to authorize interested test sites to issue UAS Airworthiness certificates using FAA Designated Airworthiness Representatives (DARs). FAA will oversee these designees in the same way DAR for manned aircraft airworthiness approval processes are overseen.	
Specific steps to be taken in FY 2015:	Yearly Revision of UAS Roadmap Execution of research activities as defined by the UAS Integration Office Federal Public UAS Standards Working Group submits deliverable to the UAS ExCom SSG Formal revision of applicable policies and guidance to allow FAA DARs at UAS Test Sites	Ongoing Ongoing February 2015 September 2015
Expected Results, this year and in the future:	The UAS Roadmap will continue to be updated and published annually. It will include lessons learned and progress and accomplishments from the previous year. By the end of 2015, we will have issued several hundred exemptions for commercial operations. We expect to have a high level of integration of public (governmental) UAS enabled by technological advances, including ground-based detect and avoid systems.	

MANAGEMENT CHALLENGE		
Chapter 1: Modernizing the National Airspace System and Addressing Organizational Challenges		
Issue: 1E	Consolidating FAA's Vast Network of Facilities An important component of FAA's NextGen efforts is the extent to which FAA realigns and consolidates the Nation's aging air traffic control facilities. In 2013, the FAA proposed a facility realignment process to key congressional leaders that oversee the FAA. The agency received approval to move forward with the FAA proposed process. Throughout 2014, the collaborative workgroup assigned to address Section 804 of Public Law 112-95, comprised of FAA / NATCA / PASS representatives, evaluated 27 Terminal facilities as potential transfer or receiver candidates, using the collaboratively-developed process.	
ACTION PLAN		
Cognizant Organization:	Air Traffic Organization, Technical Operations	
Tools to be Used to Resolve the Issue:	The FAA is following a four-step collaboratively-developed process, which includes a prioritization model and allows the Agency to review and analyze operational criteria in a pre-decisional, transparent, and defensible manner. The following activities are part of the Section 804 process: • For each potential realignment scenario, the workgroup meets with representatives from potential transfer and receiver facilities in a multi-day working session to explain the 804 process and to begin evaluating each potential realignment scenario. • During the working session, operational requirements and potential benefits are captured by the workgroup. • Following the working session, a site survey at the candidate facilities is conducted to capture and validate quantitative data with facility management and Labor, as well as capture qualitative workforce and external stakeholder input. • Data captured during the working session and during the facility visits are used to conduct cost benefit analysis, which, along with stakeholder input and qualitative data, informs development of realignment recommendations.	
Time Needed to Resolve the Issue:	The workgroup has completed data gathering & analysis and developed recommendations for two realignment scenarios. The report containing these realignment recommendations is being delivered to the FAA Administrator in early 2015 and, subsequently, to Congress. After publication in the Federal Register, Congress may act on the report. The FAA plans to submit the second part of the report in mid-2015. The FAA plans to submit its realignment recommendations annually to Congress over multiple years. Currently, for any realignments, notification to employees is required at least one year prior to implementation of any changes.	
Specific steps to be taken in FY 2015:	Deliver part 1 of the first annual report to the FAA Administrator for delivery to Congress Deliver part 2 of the first annual	January 2015 September 2015

	report to the FAA Administrator for delivery to Congress	
Expected Results, this year and in the future:	This year, the Agency plans to submit the first annual report (in two parts) and to conduct Section 804 analysis for approximately 15 additional transfer and / or receiver facilities. The Agency plans to do the same each subsequent year, until all Terminal facilities has been evaluated.	

MANAGEMENT CHALLENGE	
Chapter 2: Enhancing Safety and Oversight of a Diverse and Dynamic U.S. Aviation Industry	
Issue: 2A	Leveraging Data to Reduce Risk The Voluntary Disclosure Reporting Program (VDRP) process does not require air carriers to identify the root cause of reported violations, and the Federal Aviation Administration (FAA) does not ensure air carriers implement all corrective actions or verify whether the actions resolved the problems. FAA also does not collect, analyze, or trend VDRP data to identify safety risks at the national level, which could aid the inspection planning process. In addition, FAA does not allow its inspectors and analysts to use Aviation Safety Information Analysis and Sharing (ASIAS) data for their air carrier oversight due to proprietary data concerns. Yet, 74 percent of 292 field inspectors and analysts we surveyed stated that access to national-level data provided through ASIAS would improve air carrier safety oversight.
ACTION PLAN	
Cognizant Organization:	Aviation Safety, Flight Standards Service (AFS) Aviation Safety, Accident Investigation and Prevention (AVP)
Tools to be Used to Resolve the Issue:	**VDRP:** Issue a notice to inspectors and senior office managers on the Safety Management System (SMS) rule (published Jan 2015). The notice will address follow up requirements on carrier corrective actions plans. Modify VDRP database to address identification of the root cause of reported carrier violations. **ASIAS:** AVS chartered a working group with members from AVP and AFS to clarify how the aggregated de-identified ASIAS trends should be utilized by various field and headquarters organizations.
Time Needed to Resolve the Issue:	**VDRP:** The FAA requested an extension to May 30, 2015 to issue notice. SMS rule 60-day implementation date (March 2015) **ASIAS:** This is an ongoing issue that will take several years to resolve.
Specific steps to be taken in FY 2015:	SMS rule implementation — March 2015 Issue notice to inspectors — May 30, 2015 Full Implementation — Jan 1, 2016 Working group — Ongoing Modify VDRP database — Ongoing
Expected Results, this year and in the future:	The FAA has agreed to modify the VDRP database and identify individual or systemic failures pointing to root cause. The FAA will continue to use ASIAS to analyze and trend data as VDRP data does not lend itself to analysis. FAA will continue to encourage voluntary reporting through

	implementation of the SMS rule. The AVP and AFS work group will study short, medium, and long-term solutions for providing information from ASIAS/ Commercial Aviation Safety Team (CAST) that is usable and actionable by the workforce and is allowable under ASIAS/CAST protocols.

MANAGEMENT CHALLENGE		
Chapter 2: Enhancing Safety and Oversight of a Diverse and Dynamic U.S. Aviation Industry		
Issue: 2B	Managing FAA's Aircraft Certification Process The Office of Inspector General (OIG) work has identified management weaknesses with a number of the Federal Aviation Administration's (FAA) certification processes. Of particular concern are inconsistencies in FAA's program for delegating certain oversight functions, such as approving new aircraft designs, to private individuals or organizations. OIG's 2014 review of FAA's certification process for aircraft operators and repair stations also disclosed inefficiencies. For example, weaknesses in the certification process and management at one FAA office caused significant delays, some of which also impacted FAA's certification efforts nationwide. While FAA recently issued new guidance to expedite certifications of waitlisted applicants, it is unclear how this guidance will improve the overall process and alleviate the backlog. Given the expected continued growth of the aviation industry, it is critical for FAA to establish clear standards and increase efficiency for all of its certification processes.	
ACTION PLAN		
Cognizant Organization:	Aviation Safety, Flight Standards Service (AFS)	
Tools to be Used to Resolve the Issue:	The FAA's AFS has revised applicable policy and implemented automation tracking tools to assist in alleviating the certification backlog.	
Time Needed to Resolve the Issue:	As of January 2015, FAA submitted updated action plans to OIG for the report's four recommendation. OIG is reviewing the responses, but OIG has already closed three of four recommendations.	
Specific steps to be taken in FY 2015:	Revised Certification Services Oversight Process (CSOP), Standard Operating Procedure. Created new SharePoint site, with revised software, that enhances the tracking of all certification activities at the field office level and enhances the visibility and reporting at both the regional office and National Headquarters levels. Completed monthly reviews of CSOP compliance (awaiting OIG closure of recommendation). Developed a job aid to support data collection that documents regional compliance.	Closure Date January 2015 Closure Date January 2015 Open Closure Date January 2015

Expected Results, this year and in the future:	Implementation of new policy and tracking tools, will help identify resources which will help reduce the certification backlog in 2015 and subsequent years.	

MANAGEMENT CHALLENGE	
Chapter 2: Enhancing Safety and Oversight of a Diverse and Dynamic U.S. Aviation Industry	
Issue: 2C	Bolstering Oversight of Aircraft Repair Stations The Office of Inspector General's (OIG) ongoing work shows that the Federal Aviation Administration's (FAA) initial assessments to evaluate National Aviation Authority's (NAA) capabilities to perform inspections on its behalf were incomplete and the results were not well substantiated. In addition, inspector training, procedural, and data quality weaknesses have impeded FAA's ability to effectively monitor European Union foreign repair stations to ensure they continue to meet FAA standards.
ACTION PLAN	
Cognizant Organization:	Aviation Safety, Flight Standards Service
Tools to be Used to Resolve the Issue:	An OIG audit was started on December 2010 on this subject. This audit is on-going and the FAA is working with the OIG on this audit. OIG has not issued its audit or recommendations yet.
Time Needed to Resolve the Issue:	Pending Audit
Specific steps to be taken in FY 2015:	When the OIG issues recommendations, FAA will establish an action plan.
Expected Results, this year and in the future:	This management challenge involves an ongoing audit. When the OIG issues recommendations, FAA will establish an action plan.

<table>
<tr><th colspan="3">MANAGEMENT CHALLENGE</th></tr>
<tr><td colspan="3">Chapter 2: Enhancing Safety and Oversight of a Diverse and Dynamic U.S. Aviation Industry</td></tr>
<tr><td>Issue: 2D</td><td colspan="2"><u>Improving Runway Safety</u>
The Department writes that “to maintain the Nation’s excellent aviation safety record, the Department will need to better leverage safety data to reduce risks… and improve runway safety.” The Office of the Inspector General’s report calls on the FAA to be able to “determine how or when it can pursue efforts that will be key to enhancing pilots’ ability to prevent incidents on runways and taxiways.”</td></tr>
<tr><th colspan="3">ACTION PLAN</th></tr>
<tr><td>Cognizant Organization:</td><td colspan="2">Federal Aviation Administration (FAA)
Air Traffic Organization Safety and Technical Training (AJI)</td></tr>
<tr><td>Tools to be Used to Resolve the Issue:</td><td colspan="2">1. Implement the National Runway Safety Plan for 2015-2017. The FAA will continue to implement the National Runway Safety Plan for 2015-2017 which was published in July 2014. This plan provides a complete overview of all the tools and programs at the FAA’s disposal to identify, analyze, and address risk in the airport environment. These tools include:
a. Runway Safety Focus Airports. In fiscal year (FY) 2014, AJI established the Runway Safety Focus Airport Program to address hazards specific to individual airports. The 10 Runway Safety Focus Airports receive an extra level of review at their annual Runway Safety Action Team meetings. These Focus Airports receive comprehensive Corrective Action Plans (CAPs) developed to mitigate hazards and tracked in the Comprehensive Electronic Data Analysis and Reporting (CEDAR) program.
b. Local Runway Safety Action Team (LRSAT) meetings and annual action plans at each airport. Every towered airport in the National Airspace System holds an annual LRSAT and receives an annual action plan to address risk at that location. The action plans are developed in collaboration with airport stakeholders and outline the specific improvements the airport requires. Specific airport improvements that affect the pilot’s ability to prevent incidents on runways and taxiways are addressed in each individual action plan for that airport.
c. Runway Status Lights (RWSL) implementation.
d. Surface System Event Rate metric. Begin the process to transition to a risk-based metric to better measure runway safety.</td></tr>
<tr><td>Time Needed to Resolve the Issue:</td><td colspan="2">In order to measure the results of all FAA runway safety activities, the FAA must be able to move to a risk-based metric, rather than one which reflects only the number of events reported. The FAA has indicated in previous reports that we will be ready to implement that new metric in FY2017, with DOT approval.</td></tr>
<tr><td>Specific steps to be taken in FY 2015:</td><td>1. Develop a comprehensive Corrective Action Plan (CAP) for</td><td>• By September 30, 2015</td></tr>
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	each of the 10 FY2015 Runway Safety Focus Airports. 2. Hold a Local Runway Safety Action Team (LRSAT) meeting at each towered airport and develop a site specific action plan. 3. Commission three additional Runway Status Light (RWSL) systems (Minneapolis–Saint Paul International Airport, Charlotte Douglas International Airport, and Fort Lauderdale–Hollywood International Airport). This will complete nine of the planned 17 RWSL sites. The FAA continues to evaluate the system issues with the integration of ASDE-X and ADS-B to meet the NTSB recommendation to provide surface alerts. 4. Gather a full fiscal year baseline of runway safety data using the Surface Risk Analysis Process (S-RAP) and accompanying Surface System Event Rate metric to more effectively measure the reduction in system risk.	• By September 30, 2015 • By September 30, 2015 • By September 30, 2015
Expected Results, this year and in the future:	The FAA expects that with proper mitigations in place, the level of surface risk will be reduced. Once a risk-based runway safety metric is implemented, the rate of these improvements will be reflected in the rate beginning in FY2017. The ultimate goal is a reduction in accidents on the runway surface.	

MANAGEMENT CHALLENGE	
Chapter 6: Managing Acquisitions and Grants to Maximize Performance and Save Federal Funds	
Issue: 6A	Improving Acquisition Practices for management Support Services The Federal Aviation Administration (FAA) continues to address recommendations provided by the Office of Inspector General (OIG) to improve the management of the Air Traffic Control Optimum Training Solutions (ATCOTS) contract, which was awarded in 2008. The contract provides controller training support to train new Air Traffic Controllers (ATC) during a 10-year period. The FAA extended the contract in 2012 to address the program's $89 million in cost overruns for the first 4 years of the contract. In 2010, the OIG reported that the FAA failed to achieve key contract goals to reduce controller training times and costs and to produce training innovations. In recent testimony before the Senate Subcommittee on Financial and Contracting Oversight, the OIG highlighted the following in their 2013 report: (1) lack of clearly defined training requirements; (2) insufficient contract funding for training innovations; (3) ineffective cost incentives and award fees; and (4) inadequate contract oversight and ineffective communication with contract oversight staff.
ACTION PLAN	
Cognizant Organization:	Air Traffic Organization (ATO): Safety and Technical Training (AJI) and Acquisition and Contracting (AAQ)
Tools To Be Used to Resolve the Issue:	• When a Performance Based Service Contract (PBSC) is administrated using a labor-hour method, problems in contract oversight procedures are easily identified. This method provides discrepancy findings and reporting that indicate the contract needs improvements. • All FAA ATC training services are in accordance with FAA Order 3120.4. The FAA Controller Workforce Plan, *The Federal Aviation Administration 10-Year Strategy for the Air Traffic Control Workforce 2008 – 2017*, provides the FAA with annual forecasts of its Controller Workforce population. • The foundation for the PBSC is the ATCOTS performance work statement (PWS). The PWS consists of specifications and other portions of the contract that describe the required delivery of ATC training services by the service provider. The PWS specifies how the ATO will achieve its performance objectives. • The Acceptable Performance Levels and associated performance measures identified in the "Performance Requirements Summary (PRS)" established the scope of ATC training mission outcomes and measurements to be monitored and assessed against established metrics.

	• The FAA gives the service provider a monthly Work Plan depicting the forecast of the ATC population, schedule of qualification, and proficiency and development training services required for the next 12 months. The Work Plan describes the PBSC effort in terms of measurable performance standards (outputs) with the number and types of students, location of training, and date by which students need to be trained. • Use the Field Planning Tool (FPT) Workbooks that provide Field Monthly training requirements as a supplemental tool in developing the Work Plan. • Monthly updates to the Annual Work Plan will provide a forecast of the ATC schedule of qualification, proficiency, and development training services at the FAA Academy and in the field. • Use the Acquisition Management System, which establishes agency-wide policy and guidance for all areas of the Acquisition Management lifecycle.	
Time Needed To Resolve the Issue:	In Fiscal Year 2015, the FAA will continue to improve the mechanisms and procedures it uses to better manage the ATCOTS contract while executing the transition to a new vendor. This strategy will allow the FAA to continue to deliver and modernize ATC training.	
Specific Steps To Be Taken in FY 2015:	• Award new Controller Training Contract (CTC) • Develop transition plan for the ramp-up and -down of ATCOTS contract and new CTC • Execute H.8 requirement for continuity of services on the ATCOTS contract • Implement newly developed Field Requirements Tool for CTC contract • Hold kickoff meeting for new contract • Establish monthly contract-monitoring activities	April 2015 June 2015 September 2015 September 2015 July 2015 September 2015

Expected Results This Year and Beyond:	The FAA has developed a transition plan for a smooth transition from the ATCOTS contract to the new Controller Training Contract (CTC). Contract expectation will be communicated to the Contract at the kick-off meetings to include contract monitoring and reporting processes established for effective contract oversight. The field will be trained on the newly developed Field Requirements Tool and prepared to execute once the new contract is awarded.