



U.S. Department of Transportation

FEDERAL AVIATION ADMINISTRATION

FY 2016 CITIZEN CENTRIC REPORT

The FAA SAFELY GUIDES

approximately

25

million

flights every year



The FAA

MAINTAINS

FAA-operated or
FAA-contracted
towers at

more than

500

airports



The FAA

OPERATES

24

hours
a day

7

days a
week

365

days per year



The FAA

OVERSEES

a system that transports



819

million passengers
annually on U.S. carriers

Who We Are and What We Do

The Federal Aviation Administration (FAA) is part of the U.S. Department of Transportation (DOT). About 68,000 flights are safely guided through our nation's airspace system every day 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 30.2 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.** Ensures the integrity of those who work in or support our nation's airspace system, protecting FAA assets from criminal and terrorist acts.
- ▶ **Commercial Space Transportation.** Oversees the safety of commercial space transportation activities, which includes the licensing of space launches and reentries and the inspection of space vehicles, launch sites and operations.

The FAA also has 9 staff offices that support these lines of business and accomplishments of the agency's mission.

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.

How We Are Doing

To fulfill our mission, the FAA is guided by four strategic priorities:

- (1) making aviation safer and smarter by continually analyzing operations to detect and mitigate risk;
- (2) using technology and infrastructure to improve our airspace system;
- (3) enhancing the FAA's role as a global aviation leader; and
- (4) empowering our workforce to

lead and develop the skills needed for the future. 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 2016 performance:

STRATEGIC PRIORITY: Make Aviation Safer and Smarter			
STRATEGIC OBJECTIVE: Build on safety management principles to proactively address emerging safety risk by using consistent, data-informed approaches to make smarter, system-level, risk-based decisions			
Performance Measure	FY 2015 Results	FY 2016 Target/Results	FY 2016 Status
Commercial Air Carrier Fatality Rate The FY 2016 rate will not exceed 6.7 fatalities per 100 million people on board.	0.1 ¹	6.7 0.6 ²	✓
Serious Runway Incursions Rate Reduce Category A & B (most serious) runway incursions to ≤ .395 per million operations.	0.302	0.395 0.360 ²	✓
System Risk Event Rate Limit most serious losses of standard separation to ≤ 20 for every thousand (.02) losses of standard separation.	2.62	20 2.87 ²	✓
Information Technology Risk Management and Information Systems Security Address 80% of high value risks within 30 days. Continue Cybersecurity Steering Committee oversight to assure consistent risk acceptance decisions. Visualize vulnerabilities on all internet protocol based systems.	100%	80% 100%	✓
General Aviation Fatal Accident Rate Reduce to ≤ 1.02 fatal accidents per 100,000 flight hours.	0.99 ¹	1.02 0.91 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	✓

✓ Target met ✗ Target not met

- 1 Preliminary estimate until final result can be confirmed by NTSB in March 2017. We do not expect any change in the final result to be significant enough to change the year-end status of achieving the result.
- 2 Results are preliminary as of November 2016. Final results are not expected to differ significantly.

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 2015 Results	FY 2016 Target/Results	FY 2016 Status
Data Comm Implemented at cumulative total of 6 Airport Traffic Control Towers by the end of FY 2016.	New in FY 2016	6 46	✓
Major System Investments In FY 2016, maintain 90% of major system investments within 10% variance of current acquisition program baseline total budget at completion.	100%	90% 95.5%	✓
National Airspace System Energy Efficiency Improve aviation fuel efficiency by 22% relative to the calendar year 2000 baseline.	-24.37%	-22% -24.84%	✓
Noise Exposure Reduce the number of people exposed to significant aircraft noise < 328,000 in year 2016.	340,000	328,000 343,000	✗
Unmodified Audit Opinion Financial audit opinion is unmodified with no material weakness.	Achieved	Achieved	✓

✓ 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.	

Metrics are still under development for this objective.

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 2015 Results	FY 2016 Target/Results	FY 2016 Status
FedView Rankings "Best Places to Work" Ranked in the top 31% of federal agencies in the Best Places to Work FedView rankings.	43%	31% TBD ¹	TBD ¹

✓ Target met ✗ Target not met

- 1 Results will not be available until December 2016.

More information about our performance can be found in our *FY 2016 Performance and Accountability Report* at https://www.faa.gov/about/plans_reports/media/2016-FAA-PAR.pdf

What would you like to see on this page?

Please let us know by contacting
allison.ritman@faa.gov
 or by telephone at **202-267-8242**

FAA Resources and How They Are Used

In FY 2016, the FAA operated with a \$16.3 billion budget and 45,880 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 Airport and Airway Trust Fund (AATF). The AATF pays for all of FAA's airport grants, facilities, equipment, research, and a majority operations funding. In FY 2016, the AATF provided 88% of funding necessary to operate the FAA. The other 12% of funding came from the General Fund of the U.S. Treasury.

FAA RESOURCES and HOW THEY ARE USED

Two Primary SOURCES OF FUNDING

are appropriated as these FUNDING TYPES

to support the FAA LINES OF BUSINESS and NON LINE OF BUSINESS programs

which support these STRATEGIC PRIORITIES

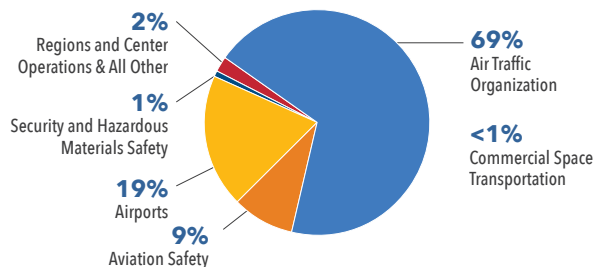
	General Fund	Airport and Airway Trust Fund
	Operations	Airport Grants, Facilities, Equipment & Research
	Air Traffic	Air Traffic
	Aviation Safety	Aviation Safety
	Security & HAZMAT	Security & HAZMAT
	Commercial Space	Commercial Space
	Regions & Center Operations and Other	Airports
Make aviation safer and smarter	✓	✓
Deliver benefits through technology and infrastructure	✓	✓
Enhance global leadership	✓	
Empower and innovate with FAA's people	✓	

An independent audit was conducted resulting in an unmodified ("clean") opinion. Complete financial information can be found in our *FY 2016 Performance and Accountability Report* at https://www.faa.gov/about/plans_reports/media/2016-FAA-PAR.pdf.

For the fiscal year ended September 30, 2016, the FAA's net costs were \$16.3 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.

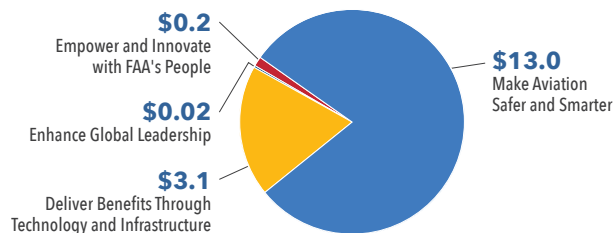
NET COSTS BY ORGANIZATION

for the fiscal year ended September 30, 2016



NET COSTS BY STRATEGIC PRIORITY AREA

for the fiscal year ended September 30, 2016
(Dollars in Billions)



With a net cost of \$11.2 billion, the Air Traffic Organization is the FAA's largest line of business, comprising 69% of total net costs. The Air Traffic Organization's net costs increased by \$223.7 million, primarily from increases in costs for labor, benefits, telecommunications, and utilities, offset by decreases in contractor services, supplies, and materials.

The FAA's second largest line of business is Airports with a net cost of \$3.1 billion for the fiscal year ended September 30, 2016, which is 19% 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 are made through grants to airport authorities, local and state governments, and metropolitan planning authorities throughout the United States and its territories and were just under \$3.0 billion.

The \$1.5 billion of net cost for Aviation Safety represents 9% of the FAA's total net costs, while Region and Center Operations and All Other Programs comprise 2% of total net costs. Security and Hazardous Material Safety's net cost represents 1% of total net costs.

Challenges Ahead

The FAA faces many exciting challenges in preparing for the future. Just a few years ago, unmanned aircraft were more of a curiosity than a day-to-day reality, and nobody expected to see commercial rockets that would launch, land, and then be reused. With these advancements come more complex challenges to maintain safety, improve operations, and spur innovation.

- ▶ How can the FAA ensure that our airspace works for everybody who wants to use it?
- ▶ What additional steps can we take to ensure that other countries improve airspace safety in the places where Americans travel?
- ▶ How can we encourage industry to equip their aircraft in preparation for the full realization of NextGen benefits? NextGen is the 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.
- ▶ How can the FAA maintain safety without stifling America's proud tradition of innovation?

These are the questions of the day and the challenges of this historic time in aviation. The FAA is confident that by working with our stakeholders and industry partners, using technology to its full potential, and regulating smarter, we have an opportunity to preserve America's rich aviation heritage—even in the face of new challenges—and remain leaders in global aviation for decades to come.

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 http://www.faa.gov/about/plans_reports/ under the DOT IG Top Management Challenges section.



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: Allison.Ritman@faa.gov

PHONE: 202-267-8242



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



http://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

