

OPERATIONS

For FY 2003, the President's Budget requests \$7,482 million for FAA Operations. This represents a \$359 million increase over the FY 2002 appropriation (when adjusted for the one-time anti-terrorist supplemental of \$200 million and the transfer of the Civil Aviation Security function to the Transportation Security Administration). The requested \$7,482 million will be financed through both trust fund and general fund contributions. Detailed information in support of this budget request is presented individually by line of business (LOB), below.

AIR TRAFFIC SERVICES - \$6,038 Million

Air Traffic Services (ATS) is comprised of the Air Traffic and Airway Facilities organizations. It is the operations and maintenance arm of the National Airspace System (NAS). ATS consists of air traffic controllers, engineers, technicians, pilots, flight inspection personnel, business managers, and support staff. Air Traffic Services controls approximately 200,000 takeoffs and landings per day, provides 24 hour air traffic control, operates and maintains 40,000 facilities, 11,000 terminal instrument flight procedures and 9,000 airway segments, conducts over 14,000 flight inspections per year nationally and internationally, assigns and protects more than 50,000 aeronautical radio frequencies used in air traffic control, and directs the modernization of the NAS infrastructure.

In FY 2003 the FAA will continue the reduction of runway incursions by implementing site-specific solutions at the top 10 airports that currently sustain the highest number of runway incursions. FAA will also continue to support the Administration's Spring/Summer 2003 initiative through enhanced traffic management, improved weather prediction capabilities, better integration of civilian and military airspace, and increased inter-facility communications.

There are six major Air Traffic Services subactivities:

The Air Traffic subactivity is responsible for safe and efficient control of air traffic 365 days a year, 24 hours a day. This is maintained through the operation of 293 towers/terminal radar approach control (TRACON), 24 en route centers and combined center-radar approach control (CERAPs), and 231 contract towers. In addition, Air Traffic maintains a network of flight service stations, which provide flight and weather information and record flight plans (mostly for general aviation pilots). This subactivity requires \$3,855 million in FY 2003.

The Air Traffic System Requirements Service (ARS) subactivity ensures that Air Traffic Services' operational needs of today and tomorrow are satisfied through the timely and cost-effective delivery and sustainment of quality products and services that fulfill the FAA mission. This organization develops comprehensive NAS requirements and manages a disciplined process to fulfill the operational needs of the Air Traffic Service. For FY 2003, this subactivity requires \$25 million.

The NAS Logistics subactivity is responsible for: limited field maintenance; supply support for NAS equipment and agency aircraft; replenishment and repair of spares; procurement activities in the regions and at the Mike Monroney Aeronautical Center; the purchasing, leasing, and management of real estate including land, office space, and specialized facilities; and material and property management and administrative services to support the day-to-day operations of the agency. For FY 2003, this subactivity requires \$98 million.

The purpose of the Systems Maintenance subactivity is to provide for the maintenance, repair, and engineering of over 64,000 facilities and equipment comprising the NAS, including air traffic control equipment, navigation and landing aids, flight service facilities, and support of FAA plant facilities. For FY 2003, this subactivity requires \$1,610 million.

OPERATIONS

The Leased Telecommunications subactivity provides the critical Air Traffic Control telecommunications link in the process that begins with identification of a NAS requirement and ends with the commissioning and operation of a new NAS facility. It also provides FAA-wide telecommunication services. For FY 2003, this subactivity requires \$309 million.

The purpose of the Flight Inspection and Procedures subactivity is to promote and ensure aviation safety by providing in-flight investigation of air navigation aids and instrument flight procedures, developing and maintaining flight procedures, and conducting periodic flight checks of FAA facilities. For FY 2003, this subactivity requires \$141 million. The Washington Flight Program (Hangar 6) provides flight training and support to the agency. In addition, it provides transportation for the National Transportation Safety Board, the Federal Emergency Management Agency, the Secretary of Transportation, the FAA Administrator, and other Federal agencies. The National Aeronautical Charting Office (NACO) manages the aeronautical chart service program. This office is responsible for directing the lithographic printing, reproduction, and distribution of aeronautical charts and other related products.

AVIATION REGULATION AND CERTIFICATION - \$867 Million

The mission of the Regulation and Certification (AVR) organization is to promote aviation safety. To fulfill this mission, AVR:

- ?? Establishes safety standards governing the design and manufacture of aircraft, engines, and other aeronautical products; ensures that operation and maintenance of aircraft and training of airmen and aviation mechanics conform to FAA regulations; and certifies medical qualification of airmen and air traffic controllers.
- ?? Monitors safety performance by conducting safety inspections and surveillance; initiates enforcement actions where appropriate; and participates in accident investigations.
- ?? Issues and maintains certificates for design and manufacturing of aircraft and aircraft parts; certificates and provides licenses for air operators, air agencies, and airmen; issues medical certificates for airmen; records aircraft registrations; and appoints and monitors designees.
- ?? Manages the FAA rulemaking program, which is the primary means by which safety standards and policy are drafted, opened to public comment, and finalized.
- ?? Conducts aviation safety education and research.

For FY 2003, AVR requests \$867 million to meet workload requirements. Included in the request is a staffing increase for safety critical aircraft certification/flight standards and medical staffing. In addition, funding increases are requested for NAS Handoff requirements.

CIVIL AVIATION SECURITY - \$6 Million

The functions of the Civil Aviation Security (ACS) are being transferred to the Transportation Security Administration (TSA). However, \$6 million are required in FY 2003, by the FAA, to cover health and retirement accruals. All other funding requests for ACS are being provided separately by TSA.

OPERATIONS

RESEARCH AND ACQUISITIONS - \$211 Million

The Research and Acquisitions (ARA) line of business is entrusted with the primary responsibility of ensuring that the FAA has the research and technology base needed to provide a safe, secure, and efficient National Airspace System.

In this regard, ARA's operations appropriation funded activities are primarily mission support to the FAA's Facilities and Equipment, and Research, Engineering, and Development appropriations, which fund most of ARA's activities. ARA's major operations funded activities include: operation and maintenance of the William J. Hughes Technical Center near Atlantic City, New Jersey; provision of procurement and contracting services for FAA's national and Headquarters programs; FAA-wide configuration management in support of the Acquisition Management System; facilities management and related administrative services for FAA Headquarters; monitoring of General Services Administration (GSA) rented space activities; and acquisition and operation of FAA's corporate information assets.

COMMERCIAL SPACE TRANSPORTATION – \$13 Million

The Associate Administrator for Commercial Space Transportation (AST) is committed to a responsive licensing and regulatory process designed to produce a safe, secure, and efficient space transportation system that contributes to national security and a viable and internationally competitive commercial space transportation industry. This includes licensing and regulatory responsibility for launch and reentry sites and launch and reentry activity. This responsibility covers commercial launches that occur at the reorganized Air Force launch ranges, as well as those occurring from additional launch sites which are not collocated with Federal ranges, and those from international waters, exclusive use sites, and foreign launch sites. The development of these launch and reentry sites, combined with the advent of reusable launch vehicles taking off and landing at what are proposed to be airport-like facilities, will pose new space safety inspection challenges for AST. This requested budget allows AST to continue to perform the mandated role of ensuring the safety of the public and property, and to also prepare for the many challenges posed by the commercial space transportation industry as it continues to evolve.

FINANCIAL SERVICES - \$50 Million

The Assistant Administrator for Financial Services (ABA) develops policies, programs, standards, systems, and procedures for budget, accounting, financial, and performance management. Major financial management activities planned for FY 2003 include implementation of a new Department-wide accounting system and other accounting refinements that will improve the quality of agency financial reports. Performance management initiatives include development of a cost accounting system with an integrated performance management capability to enable FAA to manage by performance.

REGIONS AND CENTER OPERATIONS - \$94 million

The Assistant Administrator for Regions and Center Operations (ARC) serves as the Administrator's representative on all corporate matters within the nine regions and the Aeronautical Center. The Regional Administrators serve as the senior agency aviation official in the regions providing cross-functional oversight and integration for the agency, relations with industry, the public, and various governmental organizations as well as leadership for regional lines of business support programs.

For FY 2003, the Regions and Centers require \$94 million which represents a base decrease from the FY 2002 levels primarily as a result of the elimination of \$5.1 million for the one-time costs associated with the renovation of the Stonerock Barracks Coast Guard Facility.

HUMAN RESOURCE MANAGEMENT - \$84 million

The mission of the Office of the Assistant Administrator for Human Resource Management (AHR) is to advise and assist the Administrator in directing, coordinating, controlling and ensuring the adequacy of FAA plans and programs for personnel; training; human resource planning, evaluation, and developing; and labor relations services to organizations in the FAA; provide leadership, policy and direction to the FAA in Human Resource Management (HRM) policy and activities.

For FY 2003, AHR request of \$84 million represent an increase of 21.9 percent from the FY 2002 level. This increase results primarily from two requirements: \$4.6 million will be used to replace the FAA's obsolete personnel and payroll system and \$4.4 million will be used to make the FECA administrative payment.

STAFF OFFICES – \$89 million

These seven independent offices, reporting directly to the Administrator and Deputy Administrator, are responsible for establishing, directing, and evaluating agency programs and policy. Their services include system safety, legal counsel, congressional liaison, public affairs, civil rights, policy, planning, international aviation, and the Administrator's and Deputy Administrator's executive staff.

For FY 2003, the budget proposes that the Office of Information Services/Chief Information Officer be separated from the staff offices and be made a separate, stand-alone office. This would reduce the staff office budget by \$29,650K and 85.5 FTE positions.

OFFICE OF INFORMATION SERVICES/ CHIEF INFORMATION OFFICER - \$30 million

The Office of Information Services/Chief Information Officer (AIO) works to protect the FAA's information infrastructure and help the aviation industry reduce security risks through leadership in innovative information assurance initiatives. Other major activities associated with this office are data management, process improvement, and business performance management efforts designed to ensure: reliable information is available quickly; reduction in the cost of delivering IT services without reducing service quality; IT decisions and resources are optimized across the agency; and critical agency IT knowledge, skills, and abilities are acquired and maintained.

For FY 2003, the budget request reflects an increase of \$1.8 million for critical security initiatives. In addition, the FAA will add capability to the computer security incident response center that is responsible for detecting cyber attacks on the FAA. The increase also provides for data management, process improvement, and business performance management initiatives needed to ensure reliable information is available quickly, the cost of IT services is reduced, IT decisions and resources are optimized across the agency, and critical IT knowledge, skills and abilities are acquired and maintained.

OPERATIONS

Table 4

FY 2003 Budget Resources
(Includes CSRS/FEHB accruals for FY 2001, FY 2002, and FY 2003)
(Dollars in Millions)

	FY 2001 Actual	FY 2002 Enacted	FY 2003 Request	Percent Change
Air Traffic Services	\$5,162	\$5,4467	\$6,038	+10.9
Aviation Regulation and Certification	706	767	867	+13.0
Civil Aviation Security ¹	143	249	6	-97.6%
Research and Acquisition	190	295	211	-28.4 ²
Commercial Space Transportation	12	12	13	+1.2
Financial Services/CFO	49	50	50	+0.1
Office of Information Services/CIO ³			30	n/a
Human Resources	55	69	84	+21.9
Region/Center Operations	97	86	94	+9.4
Staff Offices	104	109	89	-17.6 ⁴
TOTAL OPERATIONS	\$6,516	\$7,083	\$7,482	+5.6

¹ Change due to transfer of function to TSA

² Excluding the \$100M supplemental in FY 2002, the percent change would be +8.3%

³ This office is being separated from Staff Offices in FY 2003

⁴ If Information Services were included in FY 2003 total, the percent change would be +9.7%

Note: The percentage changes shown in this table are high due to the Administration proposal to reflect the full cost of Federal Health and Retirement Benefits in FY 2003. These costs are not shown in the previous two years.

