



U.S. Department  
of Transportation

# FY 1988

# Budget in Brief

## FEDERAL AVIATION ADMINISTRATION



February 1987

FEDERAL AVIATION ADMINISTRATION  
 FY 1988 Budget In Brief  
 Table of Contents

	<u>Page</u>
Organization Chart.....	1
Highlights of FAA's FY 1988 Budget.....	2
Special Interest Issues.....	5
FY 1987 Operations Appropriation Supplemental.....	8
Tables:	
Budget Authority (FY 1986-FY 1988).....	11
Authorized Full-Time Permanent Positions (FY 1986-FY 1988).....	12
Special Interest Programs Positions and Employment (FY 1985-FY 1988).....	13
Automated Flight Service Station (AFSS) Commissionings in FY 1987 and FY 1988.....	14
Operations Appropriation Tracking.....	15
Airport and Airway Trust Fund Amounts Available for Appropriation (FY 1986-FY 1988).....	16
Facilities and Equipment Summary of Requirements by Activity.....	17
Graphs:	
Budget Authority (FY 1986-FY 1988) By Major Appropriation.....	18
Percent Change in Budget Authority (FY 1987-FY 1988) By Major Appropriation.....	18
FY 1988 Budget Authority By Appropriation.....	19
FY 1988 FTE's By Major Function.....	19
Operations Appropriation (FY 1988) By Major Activity, By Major Object Class.....	20
Facilities and Equipment (FY 1982-FY 1987).....	21
Research, Engineering and Development (FY 1982-FY 1987).....	21
Grants-In-Aid Airports, Obligation Limitation (FY 1982-FY 1987).....	22
Trust Funded Capital Accounts (FY 1982-FY 1987).....	22
Trust Fund Share of Operations (FY 1982-FY 1988).....	23
National Airspace System (NAS) Plan Funding.....	23
FAA Security Inspections/Assessments (1982-1988).....	24
United States Commercial Air Carriers Airborne Hours (1980-1986).....	25
United States Commercial Air Carriers & Regional/Commuters Revenue Passenger Enplanements (1980-1986).....	25
Aircraft Operations At Airports With FAA Traffic Control Service (1980-1986).....	26
Average Daily Operations (FY 1984 -FY 1986, 1st Quarter FY 1987).....	26
Appendix 1: Appropriation Language.....	27



OVERVIEW

For FY 1988, budget authority for the Federal Aviation Administration (FAA) is proposed at \$5,803 million which is approximately a 20 percent increase above the FY 1987 enacted level. Two-year authorizing legislation is being proposed to continue programs financed from the Airport and Airway Trust Fund, to extend excise taxes at the current rate, and to finance approximately 85 percent of FAA's FY 1988 budget authority from the Trust Fund. The FY 1988 budget provides for the continued safe and efficient operation of the National Airspace System (NAS), including financing of the multi-year program to modernize and improve air traffic control and airway system facilities. Air commerce activity is at an all-time high and is increasing steadily. The FY 1988 budget recognizes and accommodates aviation growth. A FY 1987 supplemental appropriation request of \$142 million has also been sent to Congress. Highlights of FAA's FY 1988 budget include:

OPERATIONS

\$3,248 million, a 16 percent increase (\$437 million) over the FY 1987 enacted level, is requested to operate and maintain the Nation's air traffic control and navigation systems, provide for aviation safety and security inspections, establish and enforce civil air regulations, and administer airport grants. The FY 1988 program provides for the addition of 178 aviation inspectors and 87 aviation security personnel. The FY 1988 program will also provide for bringing the on-board controller work force from a minimum of 15,000 at the end of FY 1987 to a minimum of 15,225 by the end of FY 1988. Almost half of the dollar increase covers FY 1988 costs of the January 1987 pay raise and the new Federal retirement system.

## FACILITIES AND EQUIPMENT

\$1,350 million, almost a 70 percent increase (\$545 million) over FY 1987, is requested to fund planned facilities and equipment procurements and installations. FY 1988 begins the second half of the planned 10-year program to essentially build a new, modern air traffic control system. During the first 5 years, most projects were completed through their development and preliminary engineering stages and are currently in production and delivery states. The FY 1988 budget provides for follow-on procurement and continues funding for the multi-year NAS Plan to update existing obsolescent, labor-intensive facilities with new, solid-state equipment, and to provide new facilities with equipment capable of handling the volumes of air traffic predicted to develop by the 1990's.

Significant investments for major programs are: (\$ in millions)

Radar Microwave Link (RML) System, \$61; continue development and design and award initial production contract for Advanced Automation System (AAS), \$180; Radio Control Equipment (RCE), \$71. Establish/Replace Airport Surveillance Radar (ASR), \$59; Replace or Modernize Terminal Air Traffic Control Facilities, \$71; Terminal Doppler Weather Radar (TDWR), \$130. Flight Service Station (FSS) Modernization, \$68. Establish Microwave Landing System, \$49. Continue Systems Engineering and Integration, \$103.

#### GRANTS-IN-AID TO AIRPORTS

\$1,017 million obligation limitation level, an increase of \$17 million over the FY 1987 enacted level, is requested for airport planning, development and improvement grants, and noise compatibility planning at our Nation's airports. We are proposing legislation to restructure the program to focus on critical safety, security, and capacity needs; to implement a state block grant program for small commercial, reliever, and general aviation airports; and to provide for a voluntary program of airport defederalization.

#### RESEARCH, ENGINEERING AND DEVELOPMENT

\$150 million, approximately a 6 percent increase (\$8 million) over the FY 1987 enacted level, is requested for Research, Engineering and Development, including research for detection of weapons, explosives, and flammable liquids. Work will continue to modernize communications systems and systems for the acquisition, processing, dissemination, and display of weather information tailored to the needs of aviation users. The FY 1988 program also provides advanced research for the airway system of the next century.

#### HEADQUARTERS ADMINISTRATION

\$38 million is requested for continuing Washington headquarters administration functions.

#### METROPOLITAN WASHINGTON AIRPORTS

No funds are requested for operation and maintenance or construction at Metropolitan Washington Airports due to the anticipated 1987 transfer of the airports to an independent airport authority.

## SPECIAL INTEREST ITEMS

### AUTHORIZING LEGISLATION

- o A reauthorization proposal was submitted to Congress on February 12, 1987.
- o The two-year reauthorization proposal will not make any major changes in the structure or organization of the FAA. It will continue a strong program while the Administration, Congress, Aviation Safety (Byrd) Commission, industry, and the public examine options for the future.
- o The bill will continue the current user fees and use the funds available in the Aviation Trust Fund to continue the modernization of the air traffic control system. It will also address critical capacity, safety, and security issues at airports.
- o Changes will be proposed to the airport grant program, which will provide the FAA with more experience on alternatives for reauthorization past the two-year bill. The new program will provide for a discretionary fund for critical capacity and safety and security projects, a formula apportionment to the primary hub airports, a State block grant program, and voluntary defederalization.
- o The legislation provides that 85 percent of FAA's programs will be funded from the Trust Fund. This provision would ensure that user fees from commercial and general aviation pay their share of the program costs.

### TRUST FUND SHARE OF FAA COSTS

- o The FAA believes that the costs of operating and modernizing the national airway system should be borne by the users.
- o Recent allocation studies reconfirm prior analysis that over 85 percent of the airway system costs can be attributed to use by civil aviation. Slightly less than 15 percent is attributable to national security needs and other public sector uses, and will continue to be paid by general revenues.
- o By contrast, only about half of FAA's total costs over the past six years (FY 1982-1987) have been funded from the Trust Fund. And, because of penalty clauses, less than a third of FAA's operating expenses has been financed from the Trust Fund.
- o The estimated Trust Fund uncommitted balance will be about \$5.6 billion by the end of FY 1987. The combination of full cost recovery and planned expenditures for capital improvements will bring it down substantially over the next several years.

- o The overall 85 percent recovery that the FAA is requesting in FY 1988 is the appropriate way to allocate Trust Fund revenues and reduce the Trust Fund balance. A formula (i.e., a "trigger tax") to reduce taxes would leave insufficient balances in the Trust Fund to pay fluctuating capital investment needs. FAA would have problems financing airport grants and completing the NAS Plan if the Trust Fund balance is depleted by tax reductions.

#### CONTROLLER WORK FORCE

- o One of the FAA's highest and essential priorities is to ensure that the controller work force is maintained at a level that will ensure that flying remains one of the safest and most efficient forms of transportation. The current work force is doing a good job. Safety has not and will not be jeopardized.
- o The FAA is committed to reach a minimum of 15,000 controllers on board by the end of FY 1987.
- o As of January 31, 1987, the controller work force employment was 14,936.
- o Congress mandated that of the eligible controllers on board at the end of FY 1987, 70 percent are to be Full Performance Level (FPL); and that 60 percent of eligible controllers at all en route centers and Level 3 be FPL. Of the current controller work force (excluding air traffic assistants) 71 percent (9,490) are full performance level controllers. The FAA will strive to reach these target levels.
- o For FY 1988, the FAA is requesting a controller work force of 15,225. This will adequately meet the needs of the system. The staffing standards for individual air traffic facilities will be fully satisfied, and projections of workload are based on our best forecasts of traffic.
- o Organizational changes, such as an increased number of sectors, are accommodated in the FY 1988 level of 15,225.

#### AIRPORT GRANTS -- DEFEDERALIZATION

- o The Office of the Secretary and FAA have been studying the defederalization of airports for some time. Defederalization would mean that airports could collect passenger facility charges to add to their current sources of revenue (such as landing fees and concessions) and pay for all of their own capital and operating costs without any Federal assistance.
- o Defederalization may be attractive to some airports. A voluntary defederalization program will be proposed in FAA's reauthorization legislation.

- o Airports which choose this new option would not receive any Federal discretionary or entitlement airport grants, but could set their own charges on passengers using their airport and apply the funds to any airport-related project.
- o The reauthorization proposal will allow airports to try defederalization and make an annual determination whether to continue defederalization or to rejoin the airport grant program.
- o Any airports that participate in this program will still be required to meet Federal safety standards. This is because FAA must certify airports, whatever the source of funding for improvements.

METROPOLITAN WASHINGTON AIRPORTS TRANSFER

- o There will be two important dates to the transfer. By March 1, a 50-year lease with the new Airports Authority should be signed.
- o As soon thereafter as possible, the lease will become effective and the Authority will assume control of the two airports. The later date is the actual date of transfer.
- o Transfer teams have been progressing very well. Now that the new Metropolitan Washington Airports Authority Board of Directors is in place, transfer activities will move even faster.
- o The airports still have a great deal of work to do in replacing the payroll, accounting, procurement, and financial services now provided by the FAA.
- o The Metropolitan Washington Airports employs about 700 people. All are guaranteed a job with the new Authority. If the transfer is to succeed, the new Authority will need every one of them.
- o A time critical task is to develop comprehensive job offers to the airport employees that will both meet the requirements of the transfer act and will be accepted by the employees. Transfer will not occur until employee matters are settled.

FY 1987 OPERATIONS APPROPRIATION SUPPLEMENTAL

Program Supplemental.....	\$ 50,000,000
Pay Supplemental.....	44,000,000
Federal Employees' Retirement System.....	48,267,000
Total.....	\$142,267,000

All supplemental requests are being funded by transfers within the Department of Transportation.

PROGRAM SUPPLEMENTAL

Leased Telecommunications..... \$ 20,535,000

Actual base costs in FY 1986 exceeded the budgeted amount by over \$20 million primarily due to unanticipated safety critical service and tariff increases. Additional funding is required for FY 1987 tariff and rate increases that were not known at the time. These increases are partially offset by a combination of circuit terminations, other service restrictions, and system efficiency improvements.

ARTCC Training..... \$14,100,000

An additional \$14.1 million is required to continue funding a training contract for air route traffic control instructors. This will allow qualified personnel to remain in the controller work force, and it will avoid having to use these highly skilled personnel as trainers in future years.

Support Personnel for Air Traffic Software Maintenance \$ 2,000,000

The FY 1987 President's Budget assumed that the software maintenance function currently performed in-house would be contracted out. This recommendation was made in anticipation of favorable results from a proposed A-76 study, which is currently behind schedule. This function includes support for the HOST Computer System, the Advanced Automation System, the Automated Radar Terminal System (ARTS IIA), and the Oceanic Display and Planning System. A requirement exists to fund payroll costs which the FAA is continuing to incur.

Permanent Change-of-Station (PCS) Moves for Flight Service Stations..... \$ 8,600,000

The revised FY 1987 consolidation program calls for the closing of approximately 50 outdated facilities and the commissioning of several new automated facilities which have already been built by local governments in accordance with FAA specifications. Additional funding will provide for the PCS moves to staff those AFSS's.

Funding for Cross Option Program..... \$ 1,000,000

The cross option program allows radar controllers at well-staffed towers the opportunity to become proficient in center operations and to transfer to those locations where a staffing imbalance exists. Additional resources are required to complete the relocation of those personnel who qualified to transfer to new facilities.

Increase Training Travel for Air Traffic Training..... \$ 1,375,000

An increase in training travel is required due to implementation of Stage II of the air traffic common screen training program which was implemented subsequent to transmittal of the budget to Congress. The additional Academy training is expected to reduce the costly failure rate of controller training at the field facilities.

Operate Administrative Data Communications Network ((ADCN)/Public Data) Network (PDN)..... \$ 1,390,000

Additional funding is required to cover for the operation of the ADCN and the PDN for the first six months of FY 1987 until the cutover to the new state-of-the-art Administrative Data Transmission Network (ADTN) can be completed. This was delayed due to a stop-work order caused by a contract protest.

Permanent Change-of-Station (PCS) Moves for Field Maintenance Technicians..... \$ 1,000,000

Attrition in the field maintenance work force has created skill imbalances that must be corrected if the present efficiency of the field maintenance work force is to be preserved. Additional funds are needed to carry out moves deferred from FY 1986 and pay increased costs per move associated with the new relocation assistance contract.

PAY SUPPLEMENTAL

Pay Supplemental..... \$44,000,000

P.L. 99-591, Continuing Resolution for FY 1987, enacted October 18, 1986, provided a 3 percent pay raise for Federal employees.

FEDERAL EMPLOYEES' RETIREMENT SYSTEM (FERS)

Federal Employees' Retirement System (FERS)..... \$48,267,000

P.L. 99-335, Federal Employees' Retirement System Act of 1986, enacted June 6, 1986, established a retirement program for Federal civilian employees and postal workers hired after December 31, 1983, who are covered by social security, and for employees under the Civil Service Retirement System (CSRS) who choose to transfer into the new system. The Act requires agencies to finance certain retirement costs previously financed centrally and to finance new provisions contained in the Act.

DEPARTMENT OF TRANSPORTATION  
 FEDERAL AVIATION ADMINISTRATION  
 Budget Authority  
 (\$ in millions)

<u>Appropriation</u>	<u>FY 1986 Actual</u>	<u>FY 1987 Estimate</u>	<u>FY 1988 Request</u>
Operations	\$2,664.2	\$2,925.2 <u>1/</u>	\$3,248.3
(General)	(2,237.4)	(2,304.1)	(832.4)
(Trust)	(426.8)	(621.2)	(2,415.9)
Headquarters Administration	60.3	35.4 <u>2/</u>	38.2
Operation and Maintenance, MWA	32.6	22.8 <u>3/</u>	0
Construction, MWA	6.7	7.0	0
Aircraft Loan Guarantee	3.6	1.7 <u>4/</u>	0
Aviation Insurance	0	0	0
Grants-In-Aid to Airports (TRUST) (Obligation Limitation)	973.3 (885.2)	1,017.2 (1,000.0)	1,017.0 (1,017.0)
Facilities and Equipment (TRUST)	895.1	806.5 <u>5/</u>	1,350.0
Research, Engineering and Development (TRUST)	<u>237.1</u>	<u>141.7</u>	<u>150.0</u>
 Total	 \$4,872.9	 \$4,957.5	 \$5,803.5
(General)	(2,340.6)	(2,371.0)	(870.6)
(Trust)	(2,532.3)	(2,586.6)	(4,932.9)

1/ Includes proposed supplemental appropriation and transfers totalling \$142.3 million for program requirements (\$50.0 million), and costs associated with the pay raise (\$44.0 million) and FERS (\$48.3 million).

2/ Includes \$.9 million proposed transfers to cover \$.5 million for increased costs related to the pay raise, and \$.4 million for increased costs related to FERS.

3/ Reflects a proposed transfer of \$12.2 million to the Operations appropriation to cover costs related to the pay raise.

4/ Includes a supplemental budget request of \$.4 million.

5/ Includes \$1.9 million transferred from unobligated balances in the FY 1986 R,E&D appropriation.

DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION

AUTHORIZED FULL-TIME PERMANENT POSITIONS

	FY 1986	FY 1987	FY 1988
	-----	-----	-----
Operations:			
-----			
Air Traffic:			
Centers.....	9,544	9,787	9,793
Towers.....	9,973	10,053	10,107
Stations.....	4,598	4,410	4,225
Other.....	1,015	972	972
	-----	-----	-----
Subtotal, Air Traffic....	25,130	25,222	25,097
Installation & Materiel....	1,487	1,491	1,417
Systems Maintenance.....	10,397	10,397	10,313
Aviation Standards:	4,886	5,238	5,545
AS-Regulatory.....	2,578	2,928	3,192
AS-Certification.....	793	793	793
AS-Aircraft.....	821	821	782
Aviation Safety.....	41	42	42
Aviation Medicine.....	224	225	220
Civil Aviation Security..	429	429	516
Development Direction.....	138	138	136
Airports.....	472	472	434
Centralized Training.....	785	0	0
Human Resource Management..	0	1,306	1,209
Direction, Staff & Support.	1,391	1,002	893
	-----	-----	-----
Total, Operations.....	44,686	45,266	45,044
Headquarters Administration	629	507	510
Facilities, Engin. & Dev...	0	0	0
Facilities & Equipment.....	962	1,162	1,162
Research, Engineering & Dev	845	645	645
O & M, MWA.....	707	720	0
Aviation Insurance.....	2	2	2
	-----	-----	-----
Total, Agency.....	47,831	48,302	47,363

SPECIAL INTEREST PROGRAMS  
POSITIONS AND EMPLOYMENT

	FY 1985		FY 1986		FY 1987		FY 1988							
	ACTUAL	DIFFERENCE	ACTUAL	DIFFERENCE	ESTIMATED	DIFFERENCE	ESTIMATED	ESTIMATED						
	EOY POS.	EOY POS.	EOY POS.	EOY POS.	EOY POS.	EOY POS.	EOY POS.	EOY POS.						
CONTROLLER WORK FORCE:														
FPL CONTROLLERS	8,315	1,213	9,528	2,416	11,944	211	12,155							
DEVELOPMENTALS (GS-11/12/13)	2,071	(357)	1,714	(1,714)	0 1/	0	0 1/							
DEVELOP. PIPELINE (GS-5/7/9)	2,146	(99)	2,047	(544)	1,503	20	1,523							
AIR TRAFFIC ASSISTANTS	1,466	48	1,514	39	1,553	(6)	1,547							
TOTAL CONTROLLER WORK FORCE	13,998	805	14,803	197	15,000 2/	225	15,225							
1/ Included in FPL controllers. Breakout not available.														
2/ We are showing a CMF of 15,000 for FY 1987. The floor is 15,000, but we will strive to reach 15,100 within available resources.														
INSPECTOR WORK FORCE:														
INSPECTORS	1,610	1,475	150	338	1,760	1,813	260	106	2,020	1,919	178	169	2,198	2,088
SUPPORT	345	290	0	42	345	332	100	91	445	423	50	47	495	470
TOTAL INSPECTOR WORK FORCE	1,955	1,765	150	380	2,105	2,145	360	197	2,465	2,342	228	216	2,693	2,558
CIVIL AVIATION SECURITY	256	263	193	116	429	379	0	29	429	408	87	82	516	490
MAINTENANCE WORK FORCE	9,526	8,798	(249)	(512)	9,277	8,286	1	(98)	9,278	8,188	0	88	9,278	8,276

AUTOMATED FLIGHT SERVICE STATION (AFSS)  
COMMISSIONINGS IN FY 1987 AND FY 1988

FY 1987 1/		FY 1988	
Location	Commissioning Date (Quarter)	Location	Commissioning Date (Quarter)
Miami, FL	1st	Juneau, AK	3rd
Columbus, NE	1st	Kenai, AK	3rd
McMinnville, OR	1st	Oakland, CA	4th
Lansing, MI	1st	Fairbanks, AL	4th
Islip, NY	1st	Rancho Murieta, CA	4th
Williamsport, PA	2nd	Raleigh, NC	4th
Seattle, WA	2nd	Elmira, NY	4th
Millville, NJ	2nd		
Louisville, KY	3rd	7 Locations	
Burlington, VT	3rd		
Bangor, ME	3rd		
Kankakee, IL	3rd		
Ft. Worth, TX	3rd		
San Diego, CA	3rd		
Princeton, MN	3rd		
Grand Forks, ND	4th		
San Angelo, TX	4th		
Huron, SD	4th		
Anderson, SC	4th		
Jackson, TN	4th		
Anniston, AL	4th		
21 Locations			

1/ Subject to availability of funds. \$8.6 million for FSS relocation costs included in proposed FY 1987 supplemental.

DEPARTMENT OF TRANSPORTATION  
 FEDERAL AVIATION ADMINISTRATION  
 Operations

(Dollars in Thousands)

	FY 1986			FY 1987 Enacted Appropriation [1]			FY 1987 Current Estimate			FY 1988 Request		
	Auth. Pos.	FTEs	Program Amount	Auth. Pos.	FTEs	Amount	Auth. Pos.	FTEs	Amount	Auth. Pos.	FTEs	Amount
Operation of Traffic												
Control System.....	25,130	24,492	\$1,211,961	25,222	24,490	\$1,222,451	25,222	24,614	\$1,309,187	25,097	24,535	\$1,451,520
Installation & Materiel												
Services.....	1,487	1,459	192,271	1,491	1,283	184,573	1,491	1,330	187,796	1,417	1,281	211,952
Maintenance of Traffic												
Control System.....	10,397	9,560	562,237	10,397	9,407	575,988	10,397	9,407	593,541	10,313	9,327	658,158
Leased Telecommunications												
Services.....	0	0	185,341	0	0	176,827	0	0	197,362	0	0	230,014
Administration of Aviation												
Standards Program.....	4,886	4,371	268,278	5,238	4,895	307,678	5,238	4,895	317,938	5,545	4,967	351,241
Development Direction....	138	127	10,180	138	127	9,031	138	127	9,326	136	127	9,783
Administration of Airports												
Program.....	472	455	25,583	472	438	26,181	472	438	26,997	434	363	30,057
Direction, Staff & Supporting Services....	1,372	1,485	134,768	1,002	933	72,469	1,002	933	73,908	893	941	77,488
Human Resource Management	804	706	85,635	1,306	1,141	207,802	1,306	1,181	211,062	1,209	936	228,075
TOTAL, Operations.....	44,686	42,655	2,676,254	45,266	42,714	2,783,000	45,266	42,925	2,927,117	45,044	42,477	3,248,288

[1] Includes some minor adjustments between activities.

[2] Includes \$1,850,000 carryover from FY 1986 and supplemental requests for costs associated with increased pay (\$44,000,000), with the Federal Employee Retirement System (\$48,267,000), and with program requirements (\$50,000,000).

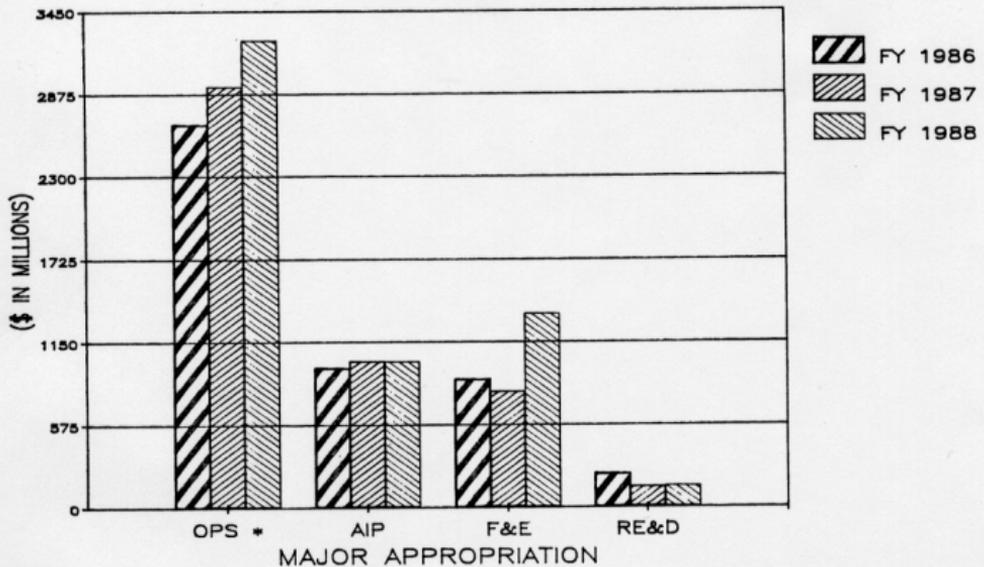
FEDERAL AVIATION ADMINISTRATION  
 Airport and Airway Trust Fund  
 Amounts Available for Appropriation  
 (in thousands of dollars)

	FY 1986	*EST* FY 1987	*EST* FY 1988
Unappropriated balance, start of year...	4,595,724	5,883,796	7,314,344
Revenue.....	3,565,953	3,929,000	4,812,400
Proposed legislation: Revenue.....			2,588,100
Total available for appropriation.....	8,160,777	9,812,796	11,514,844
Appropriations:			
Facilities and equipment.....	(895,081)	(804,584)	
Proposed legislation: Facilities and equipment.....			(1,350,000)
Research, engineering and development. Proposed legislation: Research, engineering and development.....	(237,050)	(141,700)	(150,000)
Grants-in-aid for airports:			
Appropriation to liquidate contract authority.....	(493,000)	(492,000)	(790,500)
Proposed legislation to liquidate contract authority.....			(159,500)
Trust fund share of FAA operations....	(428,822)	(421,168)	(2,415,891)
Proposed legislation: Operations.... Department of Commerce: NOAA, operations, research and facilities..	(28,796)	(29,000)	
Proposed legislation: NOAA, operations, research and facilities..			(30,000)
Total appropriations.....	(2,278,749)	(2,498,452)	(4,895,891)
Adjustments in expired, return to unappropriated receipts.....	1,768		
Unappropriated balance, end of year...	5,883,796	7,314,344	6,618,953
Unexpended balance brought forward:			
U.S. securities (par).....	7,410,218	8,596,199	9,968,241
Cash.....	15,289	29,000	10,000
Balance of fund, start of year.....	7,425,507	8,625,199	9,978,241
Cash income during the year:			
Government receipts:			
From excise taxes:			
Passenger ticket tax.....	2,401,766	2,753,400	762,300
Waybill tax.....	136,937	165,900	46,500
Fuel tax.....	111,536	107,200	29,700
International departure tax.....	93,156	102,600	26,500
Refund of taxes.....	(17,525)	(13,000)	(3,000)
Proposed legislation, net.....			2,588,100
Passenger ticket tax.....			(2,289,000)
Waybill tax.....			(139,500)
Fuel tax.....			(80,200)
International passenger tax.....			(79,400)
Intragovernmental transactions:			
Interest on investments.....	829,183	802,900	750,400
Total annual income.....	3,565,953	3,929,000	4,200,500
Cash outgo during the year:			
Federal Aviation Administration:			
Grants-in-aid for airports.....	853,409	888,390	950,000
Facilities and equipment.....	757,755	803,500	871,200
Research, engineering and development	292,573	233,700	155,609
Operations.....	434,827	421,168	2,415,891
Department of Commerce: NOAA.....	28,796	29,000	30,000
Total annual outgo.....	2,368,360	2,375,958	4,522,700
Unexpended balance carried forward:			
U.S. securities (par).....	8,596,199	9,968,241	9,644,041
Treasury balance.....	29,000	10,000	10,000
Balance of fund, end of year.....	8,625,199	9,978,241	9,654,041
Commitments against unexpended balances:			
Appropriated but not expended.....	(2,741,403)	(2,663,897)	(3,037,088)
Committed to future liquidating cash appropriations to liquidate outstanding obligations (contract authority)....	(1,571,169)	(1,682,580)	(1,749,580)
Uncommitted balance, end of year.....	4,312,627	5,631,764	4,867,373

FACILITIES AND EQUIPMENT  
Summary of Requirements by Activity

<u>Activity</u>	<u>1988 Request</u>
1. <u>Air route traffic control centers</u>	
a. Long range radar	\$156,760,300
b. Automation equipment	212,636,500
c. Other center facilities	<u>116,534,700</u>
Total, Activity 1.	\$485,931,500
2. <u>Airport traffic control towers</u>	
a. Terminal area radar	\$240,524,500
b. Terminal area automation	24,784,000
c. Other tower facilities	<u>113,990,600</u>
Total, Activity 2.	\$379,299,100
3. <u>Flight service facilities</u>	
a. Flight service stations	\$ 81,894,000
b. International flight service stations	-0-
Total, Activity 3.	<u>\$ 81,894,000</u>
4. <u>Air navigation facilities</u>	
a. VORTAC	\$17,325,300
b. Low and medium frequency facilities 1,	1,704,300
c. Instrument and visual landing systems	<u>92,048,300</u>
Total, Activity 4.	\$111,077,900
5. <u>Housing, utilities, and miscellaneous facilities</u>	
a. Housing	\$ -0-
b. Utilities and miscellaneous facilities	116,249,100
c. Provide various air navigational aids/air traffic control facility improvements and support	<u>132,010,300</u>
Total, Activity 5.	\$248,259,300
6. <u>Aircraft and related equipment</u>	
a. Facilities and flight inspection	\$31,338,200
b. Training	-0-
c. Logistics, job performance, and other	-0-
Total, Activity 6.	<u>\$31,338,200</u>
7. <u>Development, test, and evaluation facilities</u>	
a. Buildings, construction, and improvements	\$ 8,100,000
b. Equipment	<u>4,100,000</u>
Total, Activity 7.	\$12,200,000
TOTAL, ALL ACTIVITIES	<u>\$1,350,000,000</u>

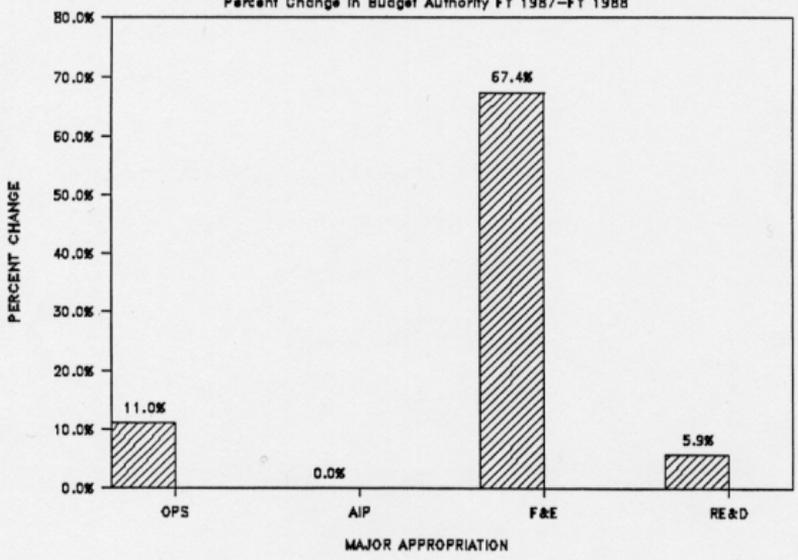
FEDERAL AVIATION ADMINISTRATION  
 BUDGET AUTHORITY FY 1986, FY 1987 & FY 1988  
 By Major Appropriation  
 (\$ IN MILLIONS)



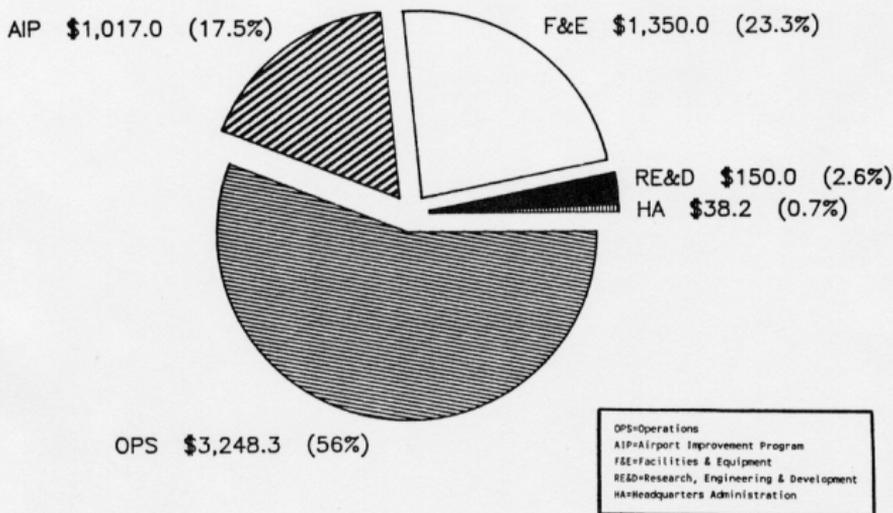
\* Includes FY 1987 Supplemental

FEDERAL AVIATION ADMINISTRATION

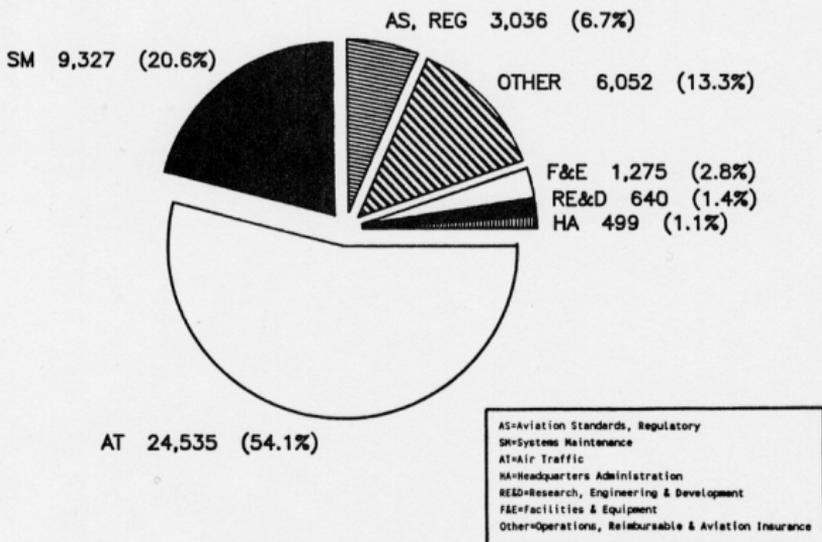
Percent Change In Budget Authority FY 1987-FY 1988



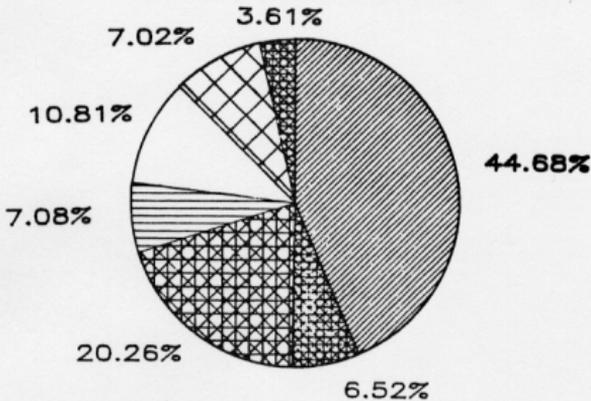
FEDERAL AVIATION ADMINISTRATION  
 FY 1988 BUDGET AUTHORITY BY APPROPRIATION  
 (\$ IN MILLIONS)



FEDERAL AVIATION ADMINISTRATION  
 FY 1988 FTE's BY MAJOR FUNCTION

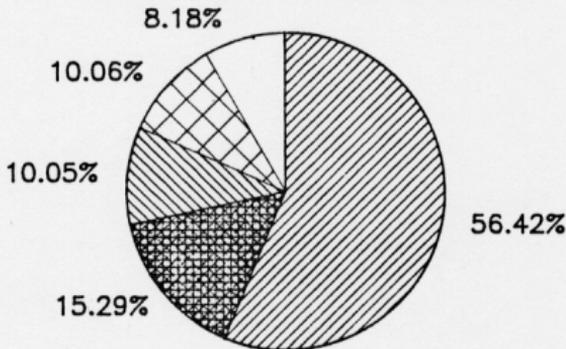


**OPERATIONS APPROPRIATION  
FY 1988 BUDGET  
BY MAJOR ACTIVITY**



- Air Traffic
- Installation & Materiel
- Systems Maintenance
- Leased Communications
- Aviation Standards
- Human Resources
- Other

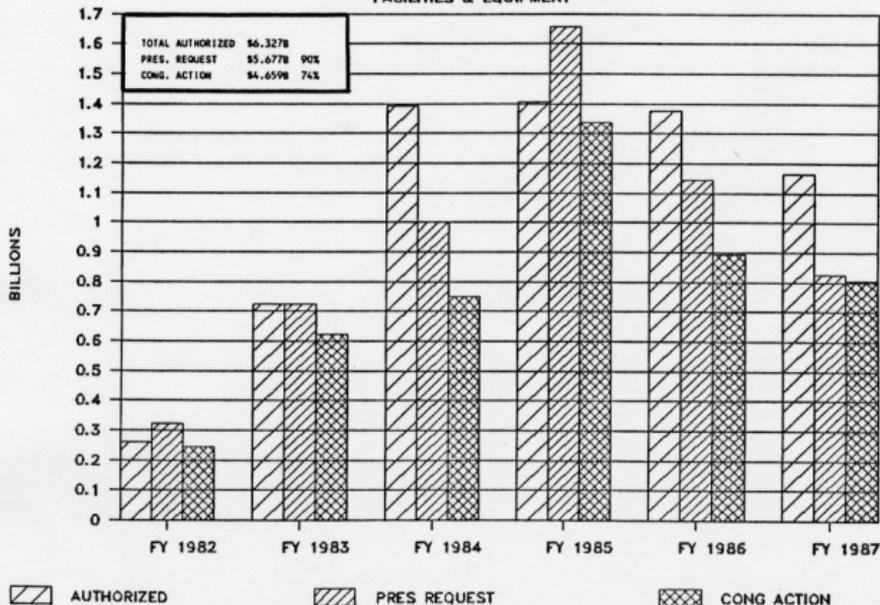
**OPERATIONS APPROPRIATION  
FY 1988 BUDGET  
BY MAJOR OBJECT CLASS**



- Personnel Compensation
- Personnel Benefits
- Communications & Utilities
- Contractual Services
- Travel, Equip. Supplies etc.

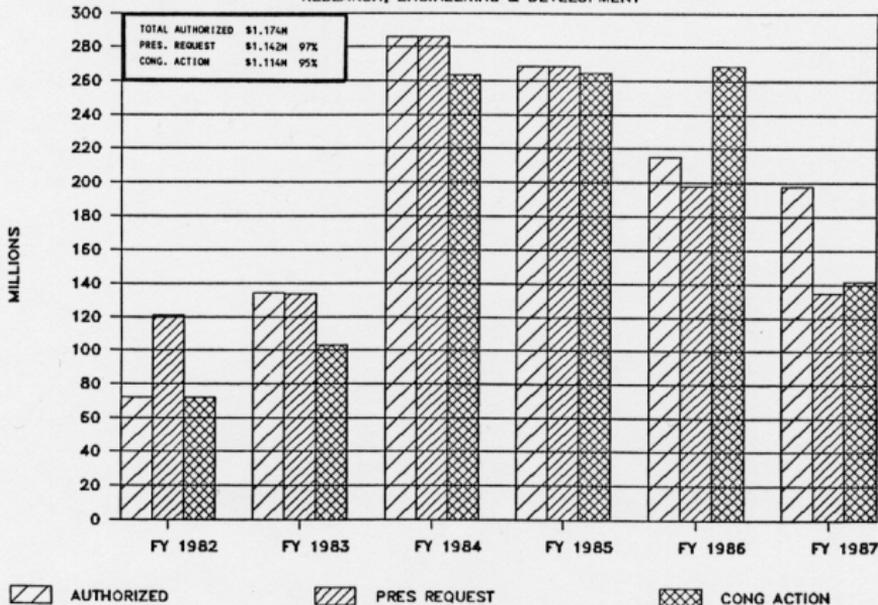
# FEDERAL AVIATION ADMINISTRATION

## FACILITIES & EQUIPMENT



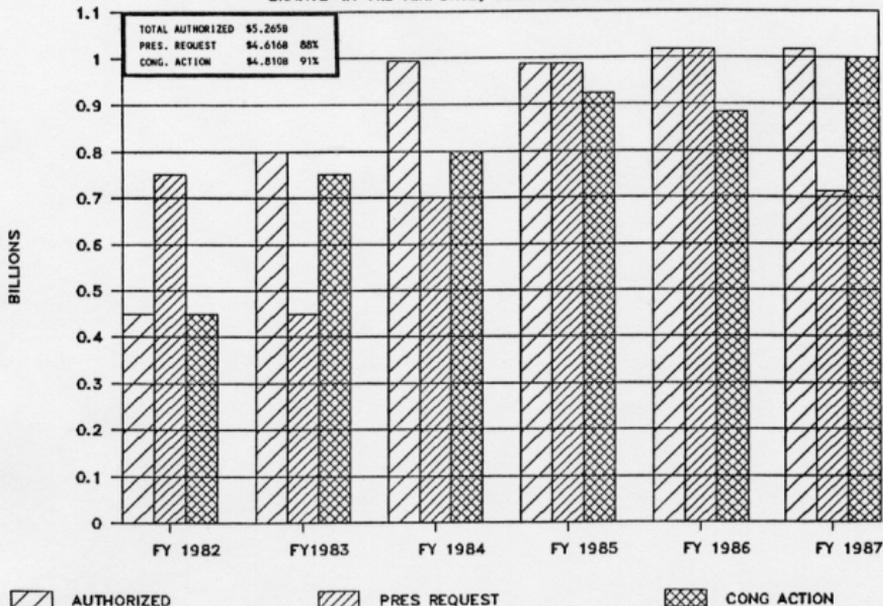
# FEDERAL AVIATION ADMINISTRATION

## RESEARCH, ENGINEERING & DEVELOPMENT



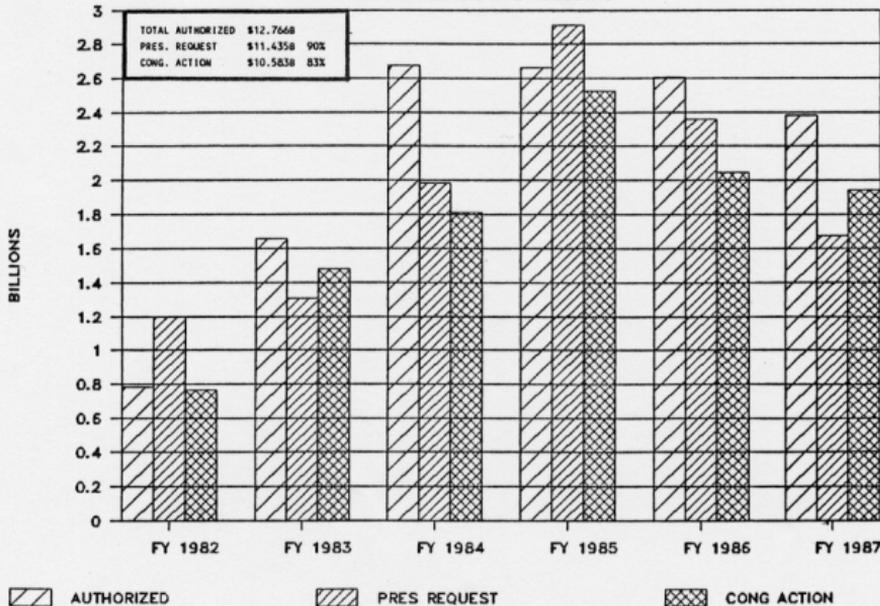
# FEDERAL AVIATION ADMINISTRATION

## GRANTS-IN-AID AIRPORTS, OBLIGATION LIMITATION



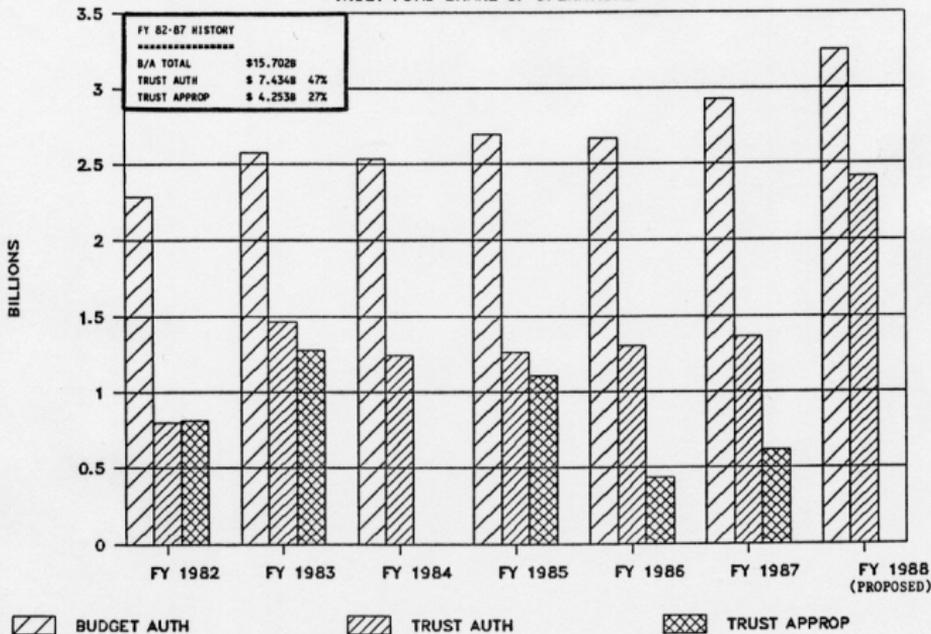
# FEDERAL AVIATION ADMINISTRATION

## TRUST FUNDED CAPITAL ACCOUNTS

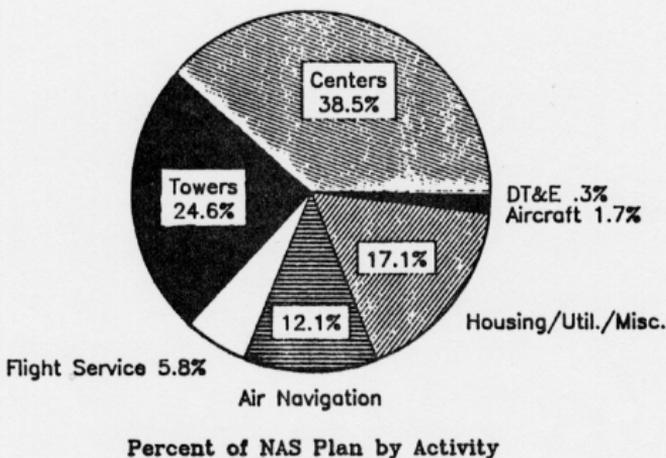


# FEDERAL AVIATION ADMINISTRATION

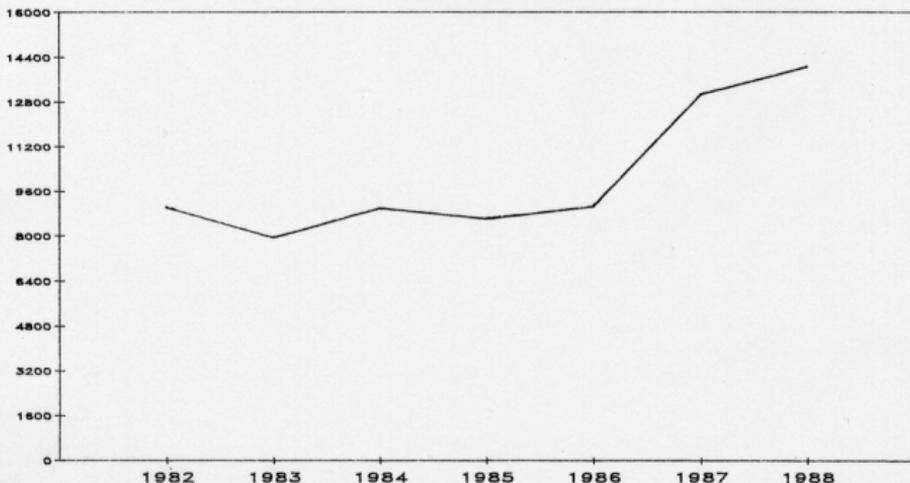
## TRUST FUND SHARE OF OPERATIONS



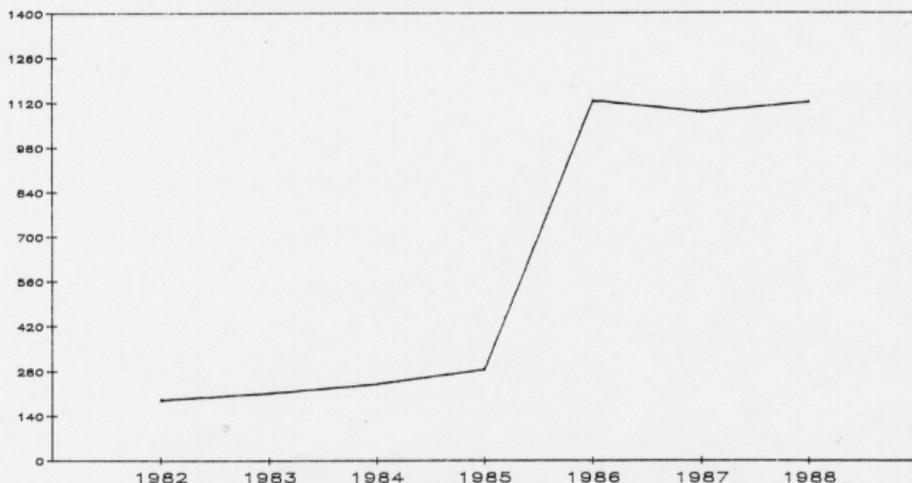
## National Airspace System (NAS) Plan Funding as of January 1987



FEDERAL AVIATION ADMINISTRATION  
DOMESTIC AIRPORT/AIR CARRIER  
SECURITY INSPECTIONS/ASSESSMENTS

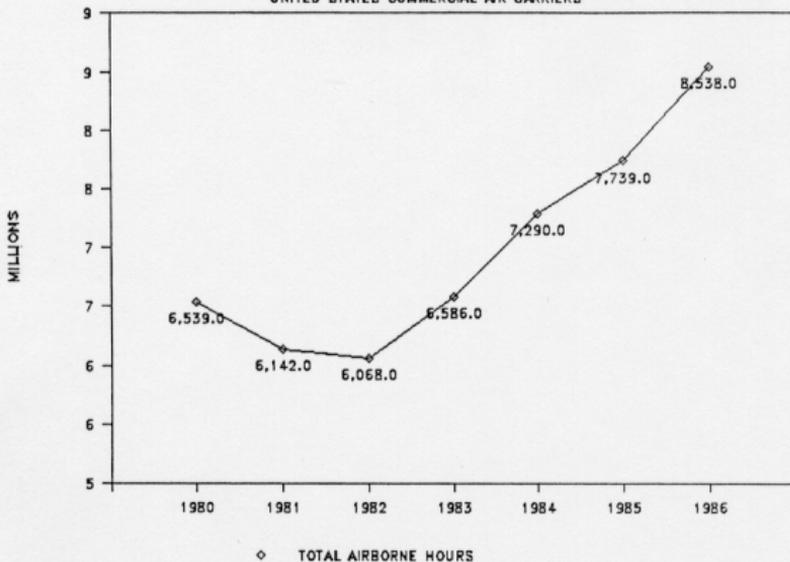


FEDERAL AVIATION ADMINISTRATION  
FOREIGN AIRPORT/AIR CARRIER  
SECURITY INSPECTIONS/ASSESSMENTS



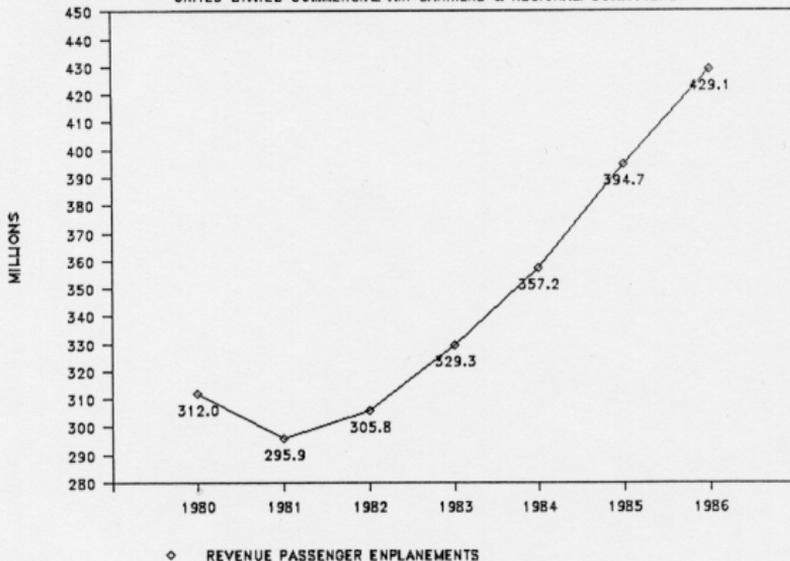
# FEDERAL AVIATION ADMINISTRATION

UNITED STATES COMMERCIAL AIR CARRIERS



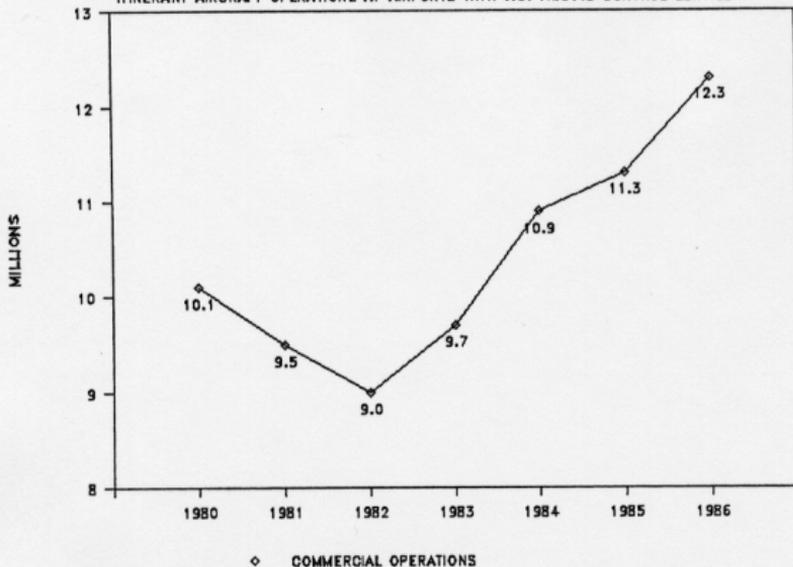
# FEDERAL AVIATION ADMINISTRATION

UNITED STATES COMMERCIAL AIR CARRIERS & REGIONAL/COMMUTERS

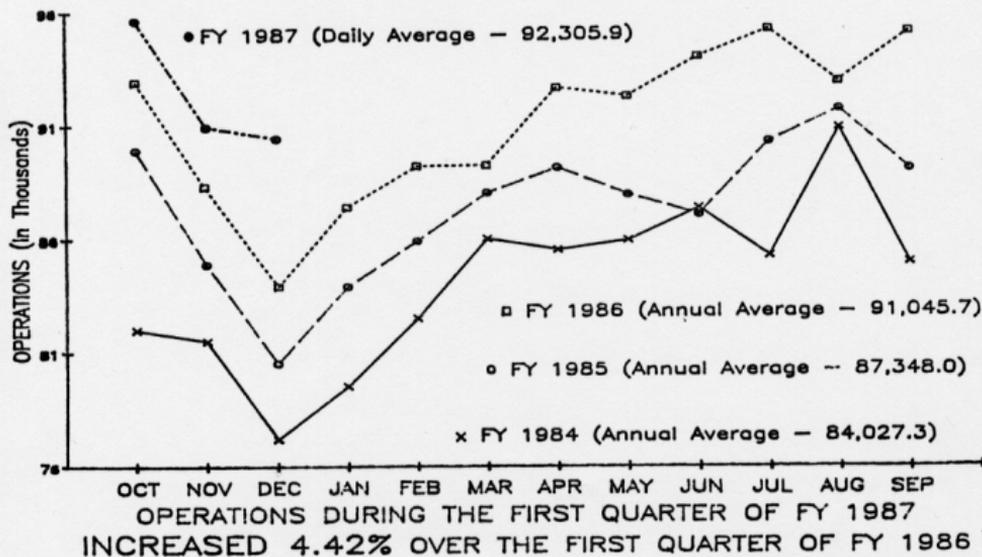


# FEDERAL AVIATION ADMINISTRATION

ITINERANT AIRCRAFT OPERATIONS AT AIRPORTS WITH FAA TRAFFIC CONTROL SERVICE



## AVERAGE DAILY OPERATIONS 20 CONUS CENTERS FY 1984 - FY 1985 - FY 1986 1st Quarter FY 1987



OPERATIONS  
[ (INCLUDING TRANSFER OF FUNDS) ]

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development, and for establishment of air navigation facilities, and carrying out the provisions of the Airport and Airway Development Act, as amended, or other provisions of law authorizing obligation of funds for similar programs of airport and airway development or improvement, purchase of four passenger motor vehicles for replacement only. [\$2,783,000,000] \$3,248,288,000, of which not to exceed [\$621,168,000] \$2,415,891,000 shall be derived from the Airport and Airway Trust Fund: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities: [Provided further, That, at a minimum, the air traffic controller on-board employment level shall be 15,000 by September 30, 1987:] Provided further, That none of these funds shall be available for new applicants for the second career training program [or for a pilot test of contractor maintenance: Provided further, That the immediately preceding proviso shall not prohibit the augmentation of the existing field maintenance workforce if it is determined to be essential for the safe operation of the air traffic control system]: Provided further, That section 5532(f)(2) of title V, United States Code, is amended by striking "December 31, [1986] 1987" and inserting "December 31, [1987] 1988" in lieu thereof: Provided further, That section 8344(h) of the title V, United States Code is amended by striking "April 1, [1985] 1986" in paragraph (2) and inserting ["April 1, 1986"] "December 31, 1986" in lieu thereof: Provided further, That in the event that the Federal Aviation Administrator employs annuitants subject to section 8344(h) of title V, United States Code, not to exceed \$10,000,000, to be derived from the unobligated balance of any appropriation available for obligation by the Federal Aviation Administration as of the effective date of this Act, shall be available through December 31, [1987] 1988, for the purpose of funding such employment: Provided further, That any such funding shall be reported to the Committees on Appropriations of the Senate and the House of Representatives. (Additional authorizing legislation to be proposed for \$2,415,891,000.)

Note -- Public Laws 99-500 and 99-591, section 101(1), provide funds to the extent and in the manner provided for in the conference H.R. 5205, Department of Transportation and Related Agencies Appropriation Act, 1987.

APPENDIX 1

The following appendix is a compendium of the Department of Transportation, Federal Aviation Administration's appropriation language for the following:

Operations

Headquarters Administration

Facilities and Equipment

Research, Engineering and Development

Grants-in-Aid for Airports

Aircraft Purchase Loan Guarantee Program

Aviation Insurance Revolving Fund

## HEADQUARTERS ADMINISTRATION

For necessary expenses, not otherwise provided for, of providing administrative services at the headquarters location of the Federal Aviation Administration, including but not limited to accounting, budgeting, legal, public affairs, and executive direction services for the Federal Aviation Administration [\$34,500,000] \$38,113,000.

Note -- Public Laws 99-500 and 99-591, section 101(1), provide funds to the extent and in the manner provided for in the conference version of H.R. 5205, Department of Transportation and Related Agencies Appropriation Act, 1987.

FACILITIES AND EQUIPMENT (AIRPORT AND AIRWAY TRUST FUND)  
[ (INCLUDING TRANSFER OF FUNDS) ]

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities, including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; and construction and furnishing of quarters and related accommodations of officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; to be derived from the Airport and Airway Trust Fund and to remain available until September 30, [1991, \$804,584,000 together with \$1,914,000 to be derived from unobligated balances of "Research, Engineering and Development (Airport and Airway Trust Fund), Center for Research and Training in Information-based Aviation and Transportation Management"] 1992, \$1,350,000,000: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities [Provided further, That of the funds available under this heading, \$10,000,000 shall be available for the Secretary of Transportation to enter into grant agreements with universities or colleges having an airway science curriculum recognized by the Federal Aviation Administration, to conduct demonstration projects in the development, advancement, or expansion of airway science curriculum programs, and such funds, which shall remain available until expended, shall be made available under such terms and conditions as the Secretary of Transportation may prescribe, to such universities or colleges for the purchase or lease of buildings and associated facilities, instructional materials, or equipment to be used in conjunction with airway science curriculum programs; and \$3,914,000 shall be available to construct an experimental computer-based airway and aviation management facility at the Center for Research and Training in Information-based Aviation and Transportation Management at Barry University]. (Additional authorizing legislation to be proposed for \$1,350,000,000.)

Note.--Public Laws 99-500 and 99-591, section 101(1) provide funds to the extent and in the manner provided for in the conference version of H.R. 5205, Department of Transportation and Related Agencies Appropriation Act, 1987.

RESEARCH, ENGINEERING AND DEVELOPMENT  
(AIRPORT AND AIRWAY TRUST FUND)

[ (INCLUDING TRANSFER OF FUNDS) ]

For necessary expenses, not otherwise provided for, for research, engineering, and development, in accordance with the provisions of the Federal Aviation Act (49 U.S.C. 1301-1542), including construction of experimental facilities and acquisition of necessary sites by lease or grant, [\$141,700,000] \$150,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development. (Additional authorizing legislation to be proposed for \$150,000.)

Note.--Public Laws 99-500 and 99-591, section 101(1), provide funds to the extent and in the manner provided for in the conference version of H.R. 5205, Department of Transportation and Related Agencies Appropriation Act, 1987.

GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION)  
(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for airport planning and development under section 14 of Public Law 91-258, as amended, and under other law authorizing such obligations, and obligations for noise compatibility planning and programs, [\$860,000,000] \$950,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: Provided, That none of the funds in this Act shall be available for the planning or execution of programs, the commitments for which are in excess of [\$1,000,000,000] \$1,017,000,000 in fiscal year [1987] 1988 for grants-in-aid for airport planning and development, and noise compatibility planning and programs, [notwithstanding section 506(e)(4) of the Airport and Airway Improvement Act of 1982.] (Additional authorizing legislation to be proposed for \$1,017,000,000.)

Note.--Public Laws 99-500 and 99-591, section 101(1), provide funds to the extent and in the manner provided for in the conference version of H.R. 5205, Department of Transportation and Related Agencies Appropriation Act, 1987.

## AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

The Secretary of Transportation may hereafter issue notes or other obligations to the Secretary of the Treasury in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such obligations may be issued to pay any necessary expenses required pursuant to any guarantee issued under the Act of September 7, 1957, Public Law 85-307, as amended (49 U.S.C. 1324 note). None of the funds in this Act shall be available for the implementation or execution of programs under this head, the obligations for which are in excess of \$75,000,000 during fiscal year [1987] 1988. Such obligations shall be redeemed by the Secretary for appropriations authorized by this section. The Secretary of the Treasury shall purchase any such obligations, and for such purpose he may use a public debt transaction the proceeds from the sale of of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under the subsection. The Secretary of the Treasury may sell any such obligations at such times and price and upon such terms and conditions as he shall determine in his discretion. All purchases, redemptions, and sales of such obligations by such Secretary shall be treated as public debt transactions of the United States.

[For the settlement of promissory notes issued to the Secretary of the Treasury, \$13,516,000, to remain available until expended, together with such sums as may be necessary for the payment of interest due under the terms and conditions of such notes.]

Note.--Public Laws 99-500 and 99-591, section 101(1), provide funds to the extent and in the manner provided for in the conference version of H.R. 5205, Department of Transportation and Related Agencies Appropriation Act, 1987.

## AVIATION INSURANCE REVOLVING FUND

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to section 1306 of the Act of August 23, 1958, as amended (49 U.S.C. 1536), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program set forth in the budget for the current fiscal year for aviation insurance activities under said Act.

Note -- Public Laws 99-500 and 99-591, section 101(1), provide funds to the extent and in the manner provided for in the conference version of H.R. 5205, Department of Transportation and Related Agencies Appropriation Act, 1987.