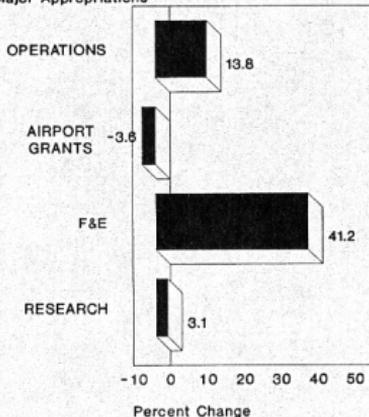




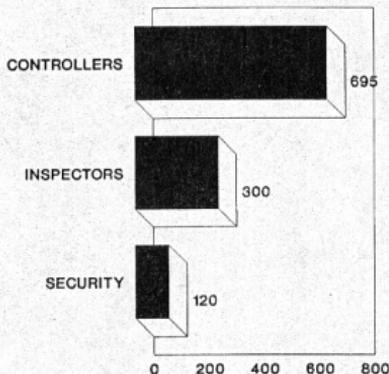
FY 1990 Budget in Brief FEDERAL AVIATION ADMINISTRATION

PERCENT CHANGE IN BUDGET
FY 1989 -- FY 1990

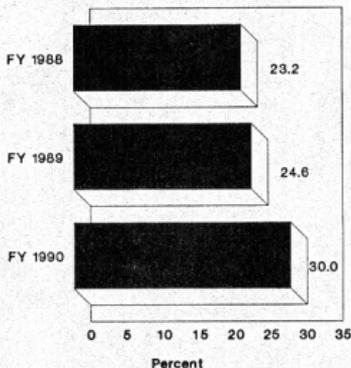
Major Appropriations



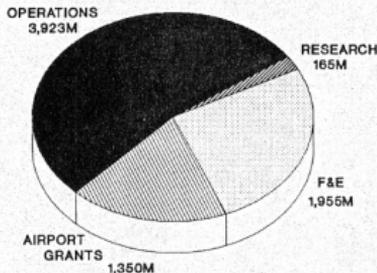
MAJOR INCREASES FY 1990
POSITIONS



FAA SHARE OF TRANSPORTATION
BUDGET



BUDGET FY 1990



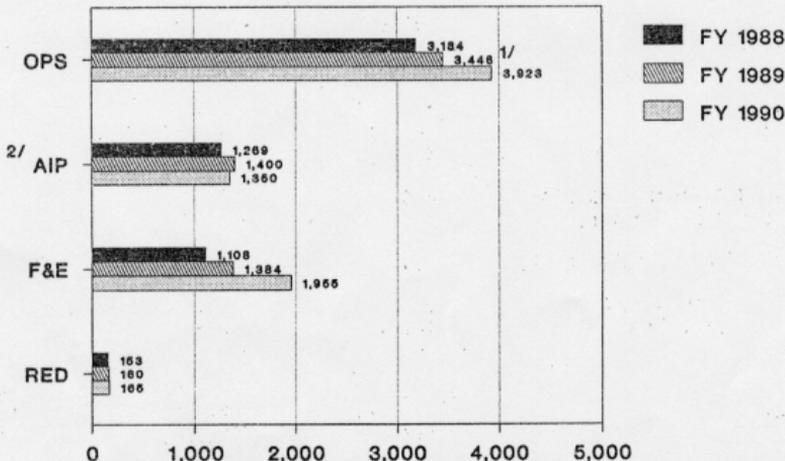
Budget equals budget authority and obligation limitation

FEDERAL AVIATION ADMINISTRATION
FY 1990 Budget In Brief
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FEDERAL AVIATION ADMINISTRATION BUDGET AUTHORITY FY1988, FY1989 & FY1990 (Dollars in Millions)

Major Appropriations and Obligation Limitation



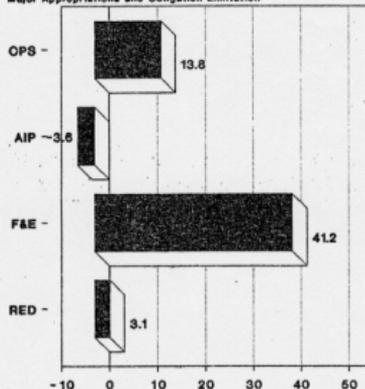
1/ Does not include \$40.7M supplemental budget request.

2/ Reflects obl. lim. Contract auth FY1988 \$1,688; FY1989 \$1,600; FY1990 \$1,700.

FEDERAL AVIATION ADMINISTRATION PERCENT CHANGE IN BUDGET AUTHORITY FY 1989 -- FY 1990

For FY 1990, budget authority and obligation limitation for the Federal Aviation Administration (FAA) are proposed at \$7,393 million, which is approximately a 15.7 percent increase above the FY 1989 enacted level. This budget provides for the continued safe operation of the National Airspace System (NAS), emphasis on safety and security regulatory functions, and a strong commitment to modernize and improve air traffic control and airway system facilities.

Major Appropriations and Obligation Limitation

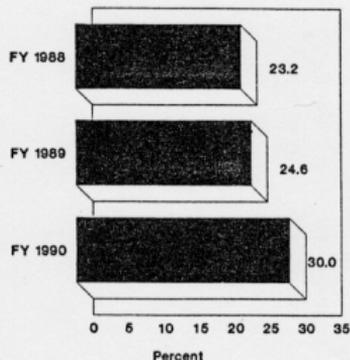


DEPARTMENT OF TRANSPORTATION
 FEDERAL AVIATION ADMINISTRATION
 Budget Authority and Obligation Limitation
 (\$ in millions)

Appropriation -----	FY 1989 Enacted -----	Increase/ Decrease -----	FY 1990 Request -----
Operations (General) (Trust)	3,445.5 1/ (2,974.2) (471.3)	477.5 (-798.1) (1,275.6)	3,923.0 (2,176.1) (1,746.9)
Grants-In-Aid-Airports (TRUST) (Obligation Limitation)	1,400.0	(50.0)	1,350.0
Facilities and Equipment (TRUST)	1,384.2	570.8	1,955.0
Research, Engineering and Development (TRUST)	160.0 -----	5.0 -----	165.0 -----
Total (General) (Trust)	6,389.7 (2,974.2) (3,415.3)	1,003.3 (-798.1) (1,801.6)	7,393.0 (2,176.1) (5,216.9)
Contract Authority Grants-In-Aid-Airports	1,600.0	100.0	1,700.0

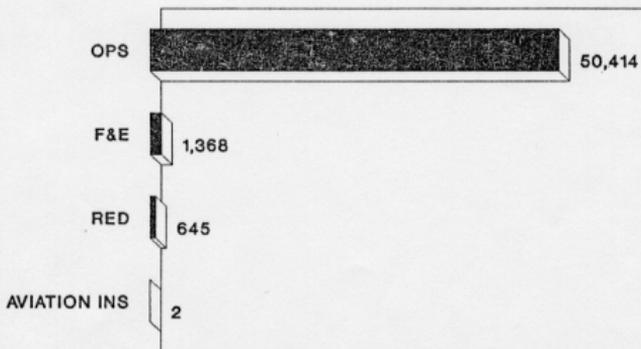
1/ Includes Headquarters Administration and does not include \$40.7M supplemental budget request.

FEDERAL AVIATION ADMINISTRATION
 FAA SHARE OF TRANSPORTATION BUDGET AUTHORITY
 AND OBLIGATION LIMITATION



FEDERAL AVIATION ADMINISTRATION
 AUTHORIZED FULL-TIME PERMANENT POSITIONS
 FY 1990

APPROPRIATION



DEPARTMENT OF TRANSPORTATION
 FEDERAL AVIATION ADMINISTRATION

	FY 1989	Increase/ Decrease	FY 1990
	-----	-----	-----
Total, Operations	48,474	+1,940	50,414
Facilities & Equipment	1,162	+206	1,368
Research, Eng & Dev	645	0	645
Aviation Insurance	2	0	2
	-----	-----	-----
Total, Agency	50,283	+2,146	52,429

OPERATIONS

For FY 1990 \$3,923 million, almost a 14 percent increase (\$478 million) over the FY 1989 level, is requested to operate and maintain a safe and efficient national aviation system. Included in this amount is funding for 50,414 positions, a 4 percent increase (1,940 positions) over the FY 1989 level.

Air Traffic

This activity covers the operation of a national system of air traffic management in the United States, its territories, and possessions on a 24-hour basis. With the aid of radar, communications, and other facilities, traffic management personnel at 24 centers monitor and control enroute flights of civil and military aircraft conducted under instrument conditions to assure safety and to expedite the flow of traffic. Over 400 control towers/facilities are operated at airports. A system of 230 flight service stations provides weather and aeronautical information to pilots, processes flight plans, and provides inflight advisory and emergency service.

In order to keep pace with aviation activity in FY 1990, the proposed increase of 870 positions in the air traffic program includes an increase of 695 in the controller work force from a minimum of 16,800 at the end of FY 1989 to a minimum of 17,495 by the end of FY 1990.

National Airspace System (NAS) Logistics Support

This activity covers procurement, contracting, and materiel management programs; administrative communications services provided through the Federal Telecommunications System (FTS); supply support for the National Airspace System (NAS) and agency aircraft; except for aircraft leased space for which payment is made to the General Services Administrative (GSA); and other logistics support functions.

In FY 1990, an increase of 80 positions is requested to manage increasing workload in our acquisition processes and the exchange and repair program, as well as additional funding to stock replacement parts for new equipment.

Systems Maintenance

This activity covers direction and engineering services related to the maintenance, improvement, and modification of facilities and equipment in the traffic control system; operational leased communications; and technical operation and maintenance of a national network of air navigation aids and traffic control facilities in the United States, and its territories and possessions.

The employment level for FY 1990 will increase by 100 to bring the on-board end-of-year level to 8,900. Contract increases for FY 1990 are requested to support the maintenance and software support of new equipment being deployed.

Aviation Standards Program

This activity exists to promote flight safety of civil aviation by assuring: the airworthiness of aircraft; the competence of pilots, aviators and aviator technicians; the adequacy of flight procedures and air operations; and the evaluation of inflight performance for compliance with prescribed standards. In addition, this activity covers the safe operation and the effective development, utilization, and maintenance of the FAA's aircraft fleet. Resources are also included under this activity for the conduct of the Federal Government's civil fitness of personnel in the national airspace system.

An increase of 727 positions is requested for FY 1990, the majority of which augments safety enforcement (including 300 safety inspectors, 100 enforcement attorneys, and support personnel) and security efforts. This increased staffing level supports a FY 1990 flight standards inspector work force position level of 3,493 (an increase of 400 positions over FY 1989) to perform aviation security work force position level increases to 692 (an increase of 120 positions over FY 1989) to support expanded use of Federal Air Marshals (FAM's) and the enhanced assessment and monitoring of foreign/domestic airports and domestic air carriers.

Human Resources Management (HRM)

This activity directly supports the other FAA activities. The most important goal of the HRM activity is to provide the highly skilled, competent, and motivated workforce necessary to accomplish FAA's objectives in improving air safety while promoting the Administration's goals in aviation-related activities. The HRM activity includes administration of FAA employee recruitment, development, compensation (including Federal Employees' Compensation Program payments and unemployment compensations), training, and labor-management relations programs. Key activities funded within the HRM are: conduct and administration of FAA's technical and management training programs; recruitment and placement of technical and administrative personnel; initiation of labor relations activities with the goal of increased employee participation in work-related decisions and increased productivity; human relations improvement activities resulting from reviews of internal surveys and external recommendations; and administration of an Airway Science Grant program intended to foster and encourage industry participation in aviation education.

In FY 1990, the new training initiatives proposed are intended to overhaul and modernize FAA's technical training program, including the modernization of the air traffic training program, applicant testing, screening, greater use of simulators and automation, and expansion to accommodate NAS plan technology. To support these initiatives, an increase of 185 positions is proposed for instructors, course development specialists, simulation specialists, and related support personnel.

FY 1990 Pay Demonstration Requirements

\$17 million is also being requested in FY 1990 for a pay demonstration project. This 5-year project will test whether an additional pay allowance of up to 20 percent would help the FAA recruit and retain experienced, qualified safety-related employees at hard-to-staff facilities. Approximately 2,000 controllers, inspectors, and technicians will receive this additional allowance.

FY 1989 Supplemental

A \$40.7 million Supplemental Budget Request for FY 1989 is being included with the FY 1990 budget to meet unbudgeted costs such as health benefits (\$14 million), drug initiatives (\$9 million), new training initiatives (\$10.7 million), and the pay demonstration project (\$7 million). Funding for this request will be fully offset within the Department of Transportation by proposing reductions in funding for unbudgeted highway demonstration projects, a reduction in mass transit operating subsidies and certain Amtrak funding.

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
Operations

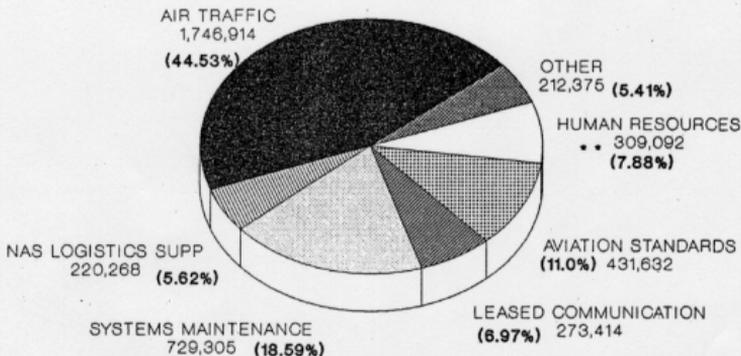
(Dollars in Thousands)

	FY 1988 Actual		FY 1989 Program Level		FY 1990 Request	FY 1990 Increase				
	Pos.	FTEs	Pos.	FTEs						
Operation of Traffic Control System.....	26,220	25,342	1,433,179	27,150	26,225	1,554,703	28,026	27,351	1,746,914	12.36%
NAS Logistics Support.....	1,415	1,479	193,402	1,481	1,081	191,582	1,561	1,124	220,268	14.97%
Maintenance of Traffic Control System.....	10,399	9,733	628,168	10,454	9,899	658,008	10,454	9,755	729,305	10.84%
Leased Telecommunications Services.....	0	0	224,609	0	0	236,784	0	0	273,414	15.47%
Administration of Aviation Standards Program.....	5,537	5,015	338,320	6,059	5,419	371,269	6,791	5,865	431,632	16.26%
Development Direction.....	136	131	10,058	136	129	13,900	143	137	16,323	17.43%
Administration of Airports Programs.....	472	458	31,805	472	444	32,953	515	468	36,708	11.40%
Direction, Staff & Supporting Services.....	913	1,087	92,151	946	833	113,250	1,067	901	129,383	14.25%
Human Resource Management....	1,209	1,316	212,534	1,256	855	236,525	1,460	1,027	309,092	30.66%
Headquarters Administration..	510	530	34,842	520	502	36,492	397	393	29,961	-17.90%
TOTAL, Operations.....	46,811	45,091	3,199,068	48,474	45,387	3,445,466	50,414	47,021	3,923,000	13.86%

1/ Includes no-year carryover of \$417 from FY 1988.

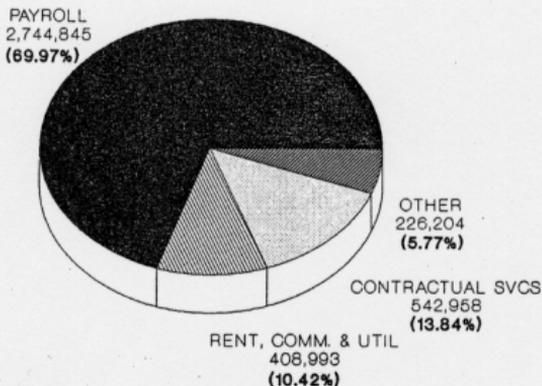
1/ Includes reduction of \$1,551 in non-safety related consultant services (P.L. 100-457).

**OPERATIONS APPROPRIATION
FY 1990 BUDGET BY MAJOR ACTIVITY**
(Dollars in Thousands)



** Includes training, personnel management and workman's compensation.

**OPERATIONS APPROPRIATION
FY 1990 BUDGET BY MAJOR OBJECT CLASS**
(Dollars in Thousands)



Controller Work Force

- o One of the FAA's highest and most essential priorities is to ensure that flying remains one of the safest and most efficient forms of transportation. The current work force is doing an outstanding job. Safety has not and will not be jeopardized.
- o As of December 31, 1988, the controller work force (CWF) employment was 16,237 of which 9,646 controllers were at the full performance level. FAA is committed to reach a CWF of 16,800 by the end of FY 1989.
- o For FY 1990, we are adding 695 controllers, bringing the CWF to 17,495 by the end of the fiscal year.
- o The 17,495 for FY 1990 is based on projections of workload for forecasted traffic growth. In addition, it will accommodate organizational changes, such as airspace reconfiguration, sector changes, addition/expansion of terminal control areas, and buffer zones.
- o The CWF was redefined in FY 1988 in conjunction with GAO and Congressional guidelines. First-line supervisors and Traffic Management Coordinators are now included as part of the CWF while Academy trainees are no longer included.

Aviation Safety Inspectors

- o We are continuing the intensified safety inspection program initiated in 1984.
- o FAA has a sufficient number of aviation safety inspectors on board and budgeted through FY 1989 to ensure that airline travel will continue to be the safest means of travel for U.S. citizens.
- o FAA has requested 300 new inspector positions in FY 1990 as another increment of planned and continuous increases. This will bring total inspector positions up to 2,798 positions, with an associated year-end employment level of 2,658 (95 percent of positions).
- o For FY 1990, we are building more flexibility into our inspection schedules. Provisions to accommodate special ad hoc inspections will be an integral part of the program plan.

Field Maintenance Staffing

- o Field maintenance technicians are responsible for maintaining and repairing facilities and equipment comprising the National Airspace System. These include air traffic control, navigation and landing aids, and supporting plant facilities for over 20,000 facilities.
- o FAA will increase the FY 1989 end of year employment level by 100 for a new FY 1990 total of 8,900 in the field maintenance work force. Of the 8,900, about 65 percent are electronics technicians.

o In FY 1990, we are requesting funds (\$5 million) to begin a pilot contract maintenance program. The purpose of the pilot program is to compare contractor performance and cost against the current FAA performance and cost. No staffing reductions have been or will be taken until the test is completed and results show that private sector provision of these services is more economically and programmatically beneficial to the U.S. taxpayer than continued Federal provision of these services.

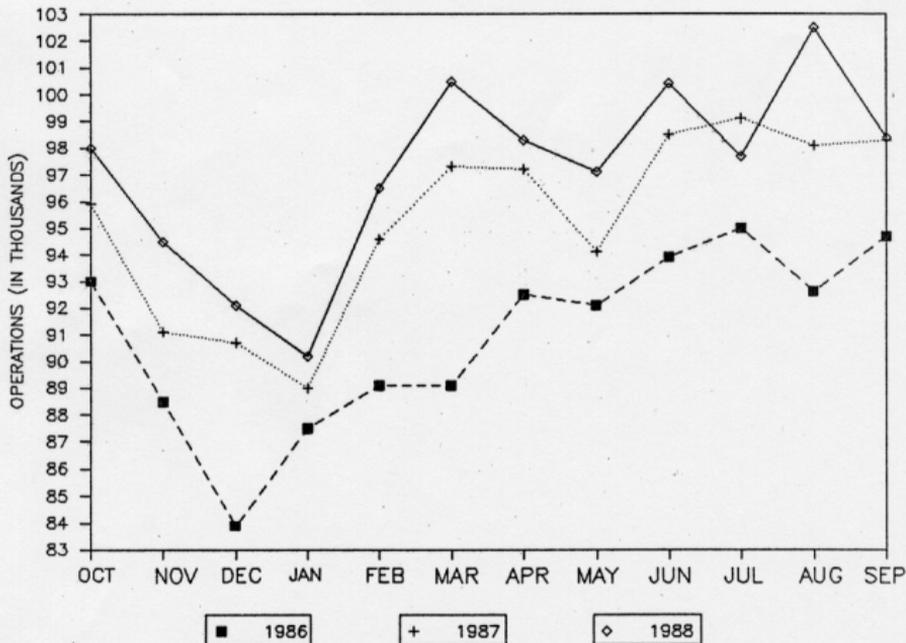
Aviation Security Staffing

- o In FY 1990, FAA will reach an end of year employment level of 657 in the Aviation Security work force, an increase of 114 over FY 1989.
- o Aviation security personnel safeguard passengers, crew, aircraft, and airports from the threat of violence from hijacking, sabotage, and other criminal acts. These initiatives include implementing effective security programs, increased use of Federal Air Marshals (FAM's) and enhanced assessment and monitoring of foreign/domestic airports and domestic air carriers.
- o FAA has requested 120 additional security positions in FY 1990 for drug interdiction efforts, increased inspections of airports and air carriers, improved hiring of Air Traffic Control Specialists (ATCS), development of critical terrorist threat information through intelligence analyses, and protection of those traveling in air commerce.

AIR TRAFFIC ACTIVITY

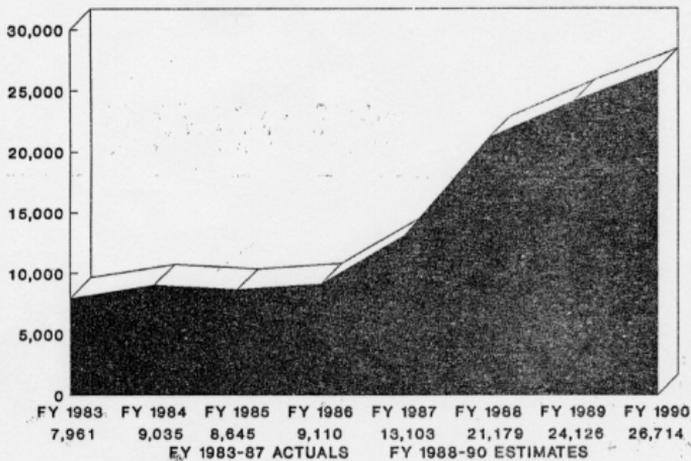
Daily operations at Continental United States Centers are based on a combined count of landings, take-offs, and flight-overs.

AVERAGE DAILY OPERATIONS
20 CONUS CENTERS
FY 1986 - FY 1987 - FY 1988



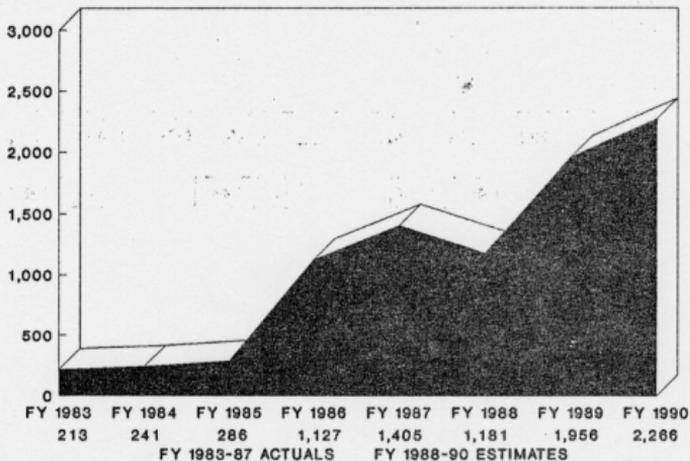
FEDERAL AVIATION ADMINISTRATION

Domestic Airport/Air Carrier Security Inspections



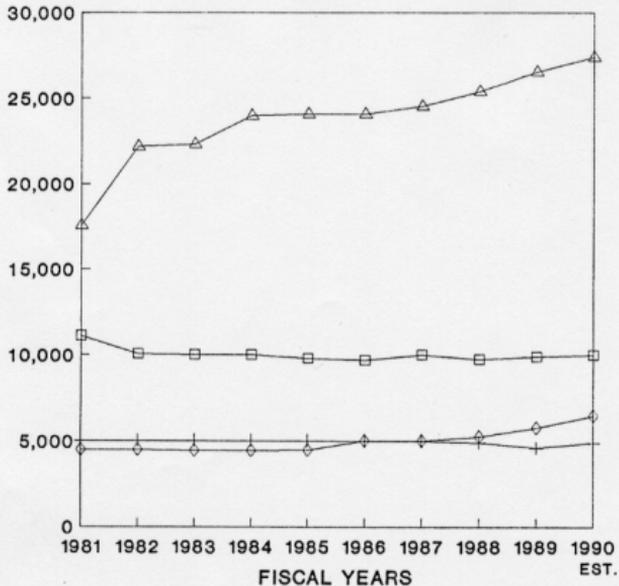
FEDERAL AVIATION ADMINISTRATION

Foreign Airport/Air Carrier Security Inspections/Assessments



FEDERAL AVIATION ADMINISTRATION END OF YEAR EMPLOYMENT

OPERATIONS AND HEADQUARTERS ADMINISTRATION



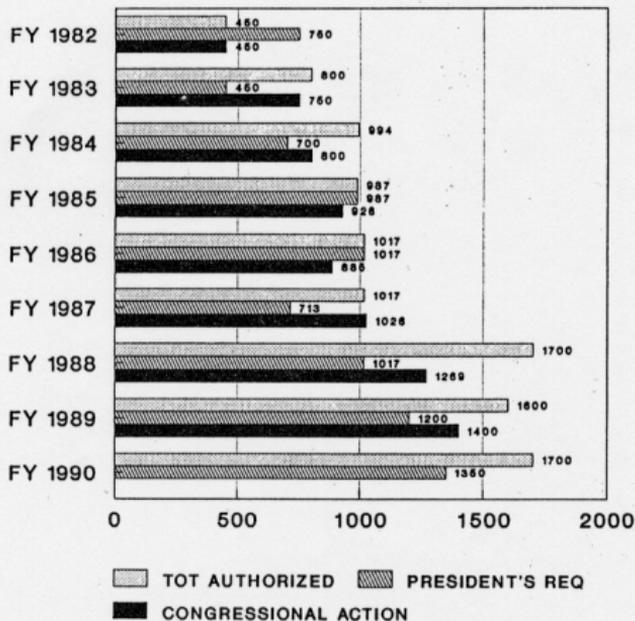
▲ AIR TRAFFIC □ SYSTEMS MAINT
 ◆ AVIATION STANDARDS + OTHER

- o Total Operations employment was relatively stable between FY 1983 - FY 1986.
- o Employment significantly increased between FY 1987 - FY 1990, mainly in controller work force, aviation safety inspectors and field technicians.
- o Operations appropriation is 70 percent payroll.
- o Growth in employment drives the overall budget increases, especially annualization of rapidly-promoted air traffic controllers and additional costs associated with the Federal Employment Retirement System implemented in FY 1987.

GRANTS-IN-AID TO AIRPORTS

\$1,350 million (obligation limitation level), a decrease of 3.6 percent, is requested for airport improvement grants, which emphasize capacity development, safety and security needs.

FEDERAL AVIATION ADMINISTRATION GRANTS-IN-AID TO AIRPORTS, OBLIGATION LIMITATION (Dollars in Millions)

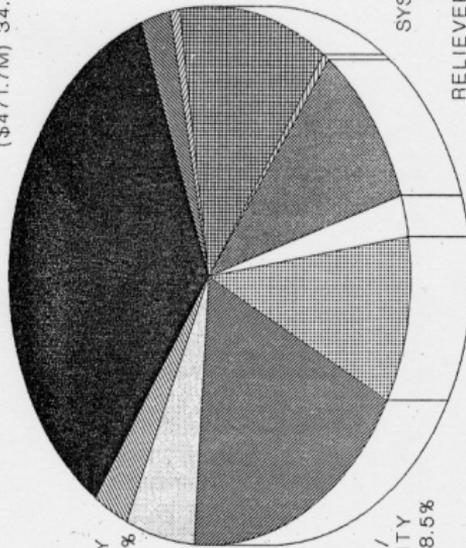


AIRPORT IMPROVEMENT PROGRAM

SPONSOR ENTITLEMENT/CAPACITY DISCRETIONARY APPORTIONMENT
AIRPORT & AIRWAY SAFETY AND CAPACITY EXPANSION ACT OF 1987

ENTITLEMENTS (\$676.0)

PRIMARY AIRPORTS
(\$471.7M) 34.9%



REMAIN DISCRETIONARY
(\$38.4M) 2.8%

CARRYOVER ENTITLE.
(\$75M) 5.6%

CARGO (ALASKA SUPPL)
(\$10.3M) .8%

STATES (\$162M) 12%

CAPACITY/SAFETY/
NOISE/SECURITY
(\$250.0M) 18.5%

SYSTEM PLANNING
(\$6.8M) .5%

RELIEVERS (\$135M) 10%

COMMERCIAL SERVICE (\$33.8M) 2.5%

(\$135M) 10% NOISE

OBLIGATION LIMITATION \$1.35 BILLION

DISCRETIONARY (\$674.0M)

LEVELS BASED ON FY 89 CARRYOVER & ENTITLE, WHICH ARE SUBJECT TO CHANGE

FACILITIES & EQUIPMENT

\$1,955 million, a 41.2 percent increase (\$571 million) over FY 1989, is requested to fund planned facilities and equipment procurements and installations. The request continues implementation of the multi-year NAS Plan to update existing obsolescent, labor-intensive facilities with new, solid-state equipment, and provides new facilities with equipment capable of handling the volumes of air traffic predicted to develop by the 1990's. Nearly all of the NAS plan programs are now under contract. In addition, funds are requested for improvements to facilities and equipment supporting operations at the Dallas/Ft. Worth, Los Angeles, and new Denver airports.

Several large, multi-year projects have been taken off the traditional full funding approach to FAA contracts. This should increase the obligation rate against new budget authority and therefore, decrease unobligated balances.

Major FY 1990 programs are: (\$ in millions)

Long Range Radar (LRR).....	\$ 39
Radar Microwave Link (RML) System.....	20
Advanced Automation System (AAS).....	367
Terminal Doppler Weather Radar (TDWR).....	107
Remote Maintenance Monitoring (RMM).....	36
Systems Engineering and Integration.....	110
Interim Support Plan.....	110
ARTLC Improvement/Plant Modernization.....	43
Voice Switching and Control System (VSCS).....	185
Mode S.....	27
Los Angeles Basin Facilities Consolidation.....	19
Dallas/Fort Worth Metroplex Expansion.....	54
FAA Support of New Denver Airport Establishment.....	102
Microwave Landing System (MLS).....	30

FACILITIES AND EQUIPMENT
Summary of Requirements by Activity

Activity	1990 Request
1. Air Route Traffic Control Centers	
a. Long Range Radar	\$ 69,647,300
b. Automation Equipment	406,267,600
c. Other Center Facilities	300,756,900

	776,671,800
2. Airport Traffic Control Towers	
a. Terminal Area Radar	\$ 191,336,500
b. Terminal Area Automation	99,026,300
c. Other Tower Facilities	318,584,100

	608,946,900
3. Flight Service Facilities	
a. Flight Service Stations	\$ 44,000,000
b. International Flight Service Stations	0

	44,000,000
4. Air Navigation Facilities	
a. VORTAC	\$ 15,746,800
b. Low and Medium Frequency Facilities	750,000
c. Instrument and Visual Landing System	97,100,600

	113,597,400
5. Housing, Utilities, and Miscellaneous Facilities	
a. Housing	\$ 0
b. Utilities and Miscellaneous Facilities	117,005,400
c. Provide Various Air Navigational Aids/Air Traffic Control Facility Improvements and Support	184,601,500

	301,606,900
6. Aircraft and Related Equipment	
a. Facilities and Flight Inspection	\$ 3,941,000
b. Training	1,540,000
c. Logistics, Job Performance, and Other	6,110,000

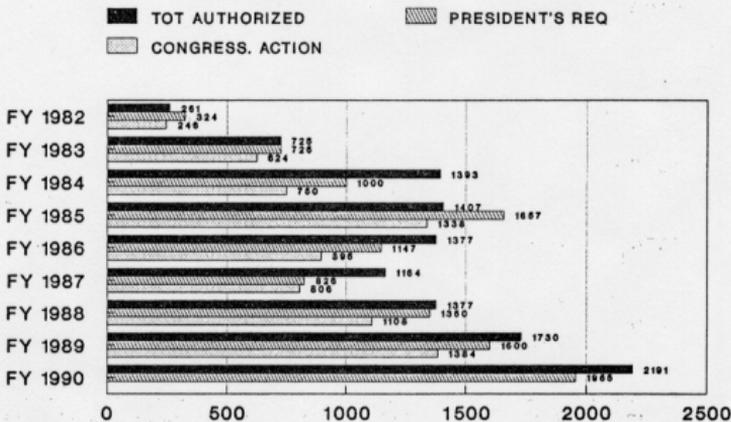
	11,591,000
7. Development, Test and Evaluation Facilities	
a. Buildings, Construction, and Improvements	\$ 6,490,000
b. Equipment	18,500,000

	24,990,000
8. Personnel Compensation, Benefits, and Travel	
a. Establishment/Improvement of Facilities	\$ 63,642,000
b. Flight Inspection	1,566,000
c. Factory Inspection/Contract Support	6,767,000
d. Aeronautical Center	1,621,000

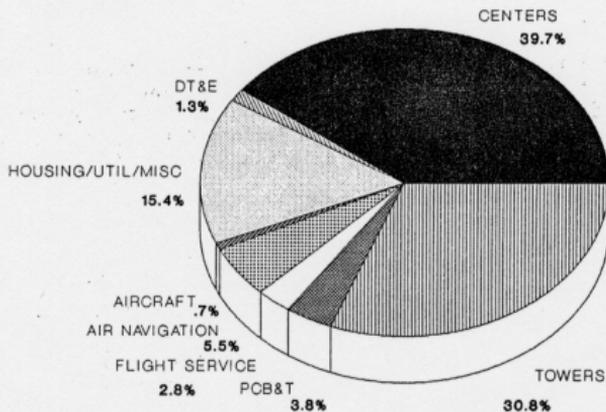
	73,596,000

TOTAL, ALL ACTIVITIES	\$ 1,955,000,000

FEDERAL AVIATION ADMINISTRATION FACILITIES & EQUIPMENT (Dollars in Millions)

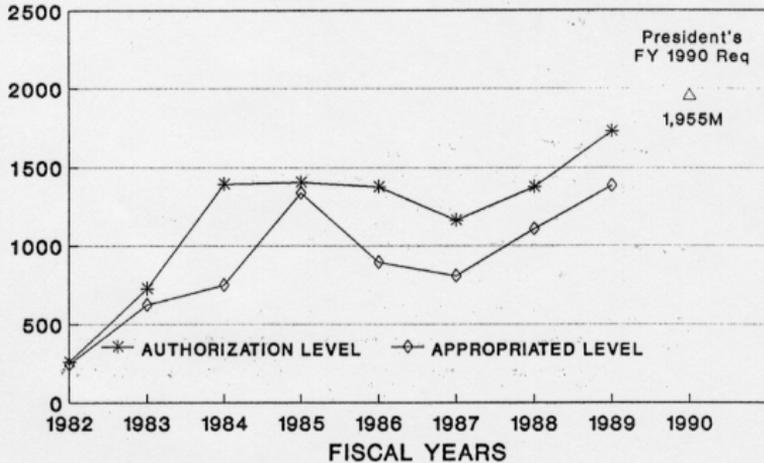


FACILITIES & EQUIPMENT PERCENT OF REQUIREMENTS BY ACTIVITY



NATIONAL AIRSPACE SYSTEM F&E MODERNIZATION PLAN

(Dollars in Millions)



- o The cumulative difference from FY 1982 through FY 1989 between the President's request and the amounts appropriated by Congress for Facilities and Equipment is \$2,268 million. When combined with the two-for-one penalty provisions of the Airport and Airway Authorizations Acts, Congressional action has increased the balance in the Aviation Trust Fund by \$4,282 million.

RESEARCH, ENGINEERING & DEV

\$165 million, approximately a 3.1 percent increase (\$5.0 million) over the FY 1989 enacted level, is requested to support the Research, Engineering and Development (R,E&D) program. A revitalized R,E&D program is under development to provide a balance between near-term, rapid development activities, and long-term research to meet the aviation needs of the 21st century. The program focuses research in the FAA major mission areas of safety, security, capacity and efficiency. The increased spending level is in response to the growing demands of the aviation community and the United States Congress as enacted in P.L. 100-591, the Aviation Safety Research Act of 1988.

New initiatives in human performance factors (including aircrew, air traffic controllers and maintenance personnel), aging aircraft and dynamic simulation modeling are included. Increased emphasis has been placed on crashworthiness, fire safety, weapons and explosive detection, and airport capacity. Ongoing activities support collision avoidance, satellite technology and air traffic control automation. There is reduced emphasis on support of ongoing NAS F&E programs and a shift toward development of the systems, procedures and infrastructure to meet the demand for doubling the capacity of the system by the year 2000.

RESEARCH, ENGINEERING, AND DEVELOPMENT
Summary of Requirements by Activity/Program

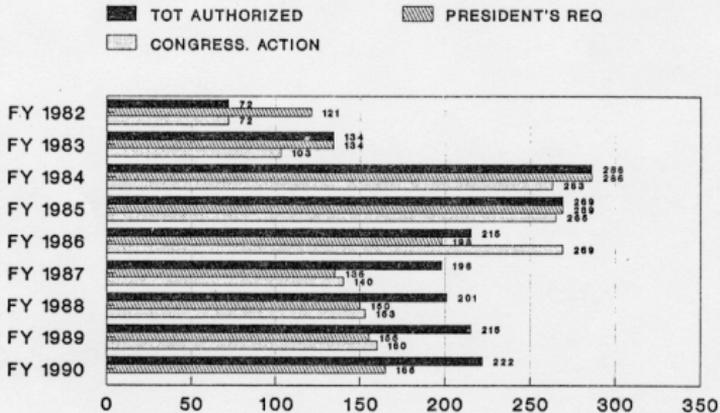
Activity/Program	1990 Request
1. Air Traffic Control	
a. System	\$ 16,506
b. Beacon	2,793
c. Aircraft Separation	7,160
d. Communications	13,541
e. System Capacity & Airports	25,120
f. Technology	8,476
g. Support	5,442
h. Rotorcraft	3,810
i. Human Systems & Operations	10,592
j. Flight Planning Optimization	285

	\$ 93,725
2. Advanced Computer	
a. Advanced Automation	7,913
b. ATC Automation	10,770

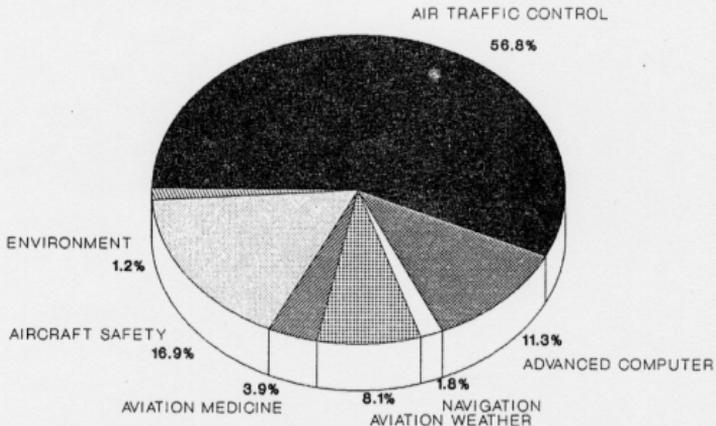
	\$ 18,683
3. Navigation	2,920
4. Aviation Weather	13,287
5. Aviation Medicine	6,513
6. Aircraft Safety	27,872
7. Environment	2,000

TOTAL, ALL ACTIVITIES	\$ 165,000

FEDERAL AVIATION ADMINISTRATION
 RESEARCH, ENGINEERING & DEVELOPMENT
 (Dollars in Millions)



RESEARCH, ENGINEERING & DEVELOPMENT
 PERCENT OF REQUIREMENTS BY ACTIVITY



TRUST FUND

REAUTHORIZATION LEGISLATION

- o If Congress had appropriated the amounts requested by the President from FY 1982 to FY 1989, the uncommitted balance would be almost zero instead of \$6.4 billion. The cash balance in the Trust Fund would be \$8.7 billion instead of \$13 billion.
- o Authorizing legislation was enacted December 30, 1987 to continue programs financed from the Airport and Airway Trust Fund.
- o The Facilities and Equipment three-year authorization provides for \$1.377 billion for FY 1988, \$1.730 billion for FY 1989, and \$2.191 billion for FY 1990. The Research, Engineering, and Development three-year authorization provides for \$201 million in FY 1988, \$215 million in FY 1989 and \$222 million in FY 1990. The Grants-in-Aid to Airports (Airport Improvement and Noise Abatement Programs) appropriation is authorized for five years: FY 1988, \$1.7 billion; FY 1989, \$1.6 billion; FY 1990, \$1.7 billion; and FY 1991 - FY 1992, \$1.8 billion.
- o Operations funding from the Trust Fund is authorized for three years at 50 percent of the total of the capital appropriations minus penalties for short falls between authorizations and appropriations. This provides for \$827.5 million in FY 1988 and \$471.3 million in FY 1989. The FY 1990 budget proposal assumes that the operations penalty clause enacted in the legislation will be rescinded for FY 1990. Instead, the FY 1990 budget proposal sets operations funding equal to the annual costs of Air Traffic Control, for FY 1990, \$1.7 billion. If current legislation remains and the penalty provision applied, funding would decline to approximately \$500 million, and the Trust Fund balance would rise to approximately \$6.6 billion.
- o Under this FY 1990 budget proposal, the tax reduction provision in the Airport and Airway Safety and Capacity Expansion Act of 1987 will be rescinded. Without a rescission and with capital appropriations at 77 percent of authorized levels in FY 1988, and 81 percent in FY 1989, the tax reduction would be triggered in January 1990. This would reduce government revenues in FY 1990 by \$1.6 billion.

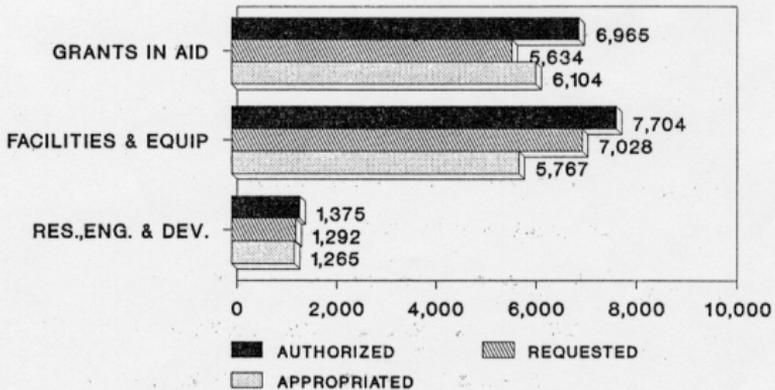
Airport and Airway Trust Fund
Amounts Available for Appropriation
(in thousands of dollars)

	FY 1988	"EST" FY 1989	"EST" FY 1990
Unappropriated balance, start of year.....	7,209,485	8,116,120	9,611,854
Revenue.....	4,081,257	4,690,000	3,884,500
Proposed revenue.....			1,189,500
Total available for appropriation.....	11,290,742	12,806,120	14,685,854
Appropriations:			
Facilities and equipment.....	(1,108,056)	(1,384,184)	(1,955,000)
Research, engineering and development.....	(153,425)	(159,945)	(165,000)
Grants-in-aid for airports: Appropriation to liquidate contract authority.....	(1,063,000)	(1,150,000)	(1,166,000)
Trust fund share of FAA operations.....	(826,024)	(471,320)	(1,746,914)
Emergency Relief.....	-	(100)	-
(interest refund to carriers-memo entry)....	(69)	-	-
Department of Commerce: NOAA, operations, research and facilities.....	(28,291)	(28,717)	(30,000)
Total appropriations.....	(3,178,796)	(3,194,266)	(5,062,914)
Adjustments in expired, return to unappropriated receipts.....	4,174	-	-
Unappropriated balance, end of year.....	8,116,120	9,611,854	9,622,940
Unexpended balance brought forward:			
U.S. securities (par).....	9,937,272	11,131,666	13,009,998
Cash.....	(2,345)	(11,493)	10,000
Balance of fund, start of year.....	9,934,927	11,120,173	13,019,998
Cash income during the year:			
Government receipts:			
From excise taxes:			
Passenger ticket tax.....	2,815,009	3,300,000	2,432,300
Waybill tax.....	167,692	180,300	133,700
Fuel tax.....	117,256	107,000	73,900
International departure tax.....	94,779	106,700	111,400
Proposed legislation:			
Passenger ticket tax.....	-	-	1,093,200
Waybill tax.....	-	-	60,100
Fuel tax.....	-	-	36,200
Refund of taxes.....	(6,105)	(6,300)	(6,300)
Intrabudgetary transaction:			
Interest on investments.....	892,626	1,002,300	1,139,500
Total annual income.....	4,081,257	4,690,000	5,074,000
Cash outgo during the year:			
Federal Aviation Administration:			
Grants-in-aid for airports.....	825,223	1,123,000	1,256,000
Facilities and equipment.....	1,043,040	1,000,656	1,345,000
Research, engineering and development...	169,683	165,945	171,000
Operations.....	829,774	471,857	1,746,914
Department of Commerce: NOAA.....	28,291	28,717	30,000
Total annual outgo.....	2,896,011	2,790,175	4,548,914
Unexpended balance carried forward:			
U.S. securities (par).....	11,131,666	13,009,998	13,535,084
Treasury balance.....	(11,493)	10,000	10,000
Balance of fund, end of year.....	11,120,173	13,019,998	13,545,084
Commitments against unexpended balances:			
Appropriated but not expended.....	(3,004,053)	(3,408,144)	(3,922,144)
Committed to future liquidating cash appropriations to liquidate outstanding obligations (contract authority).....	(1,765,557)	(2,015,557)	(2,199,557)
Unobligated balance of contract authority.....	(509,605)	(709,605)	(1,059,605)
Uncommitted balance, end of year.....	5,840,958	6,886,692	6,363,778

FEDERAL AVIATION ADMINISTRATION

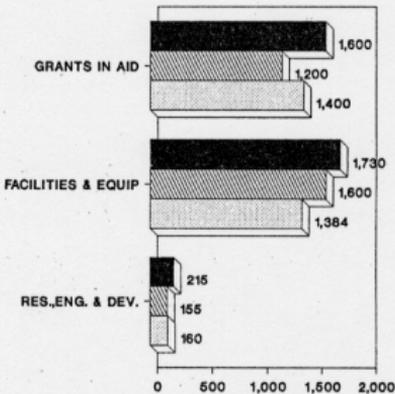
FY 1982 - FY 1988

(Dollars in Millions)



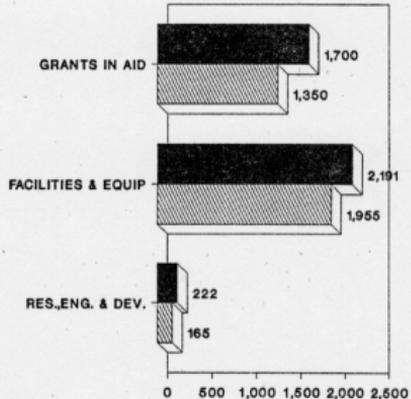
FY 1989

(Dollars in Millions)

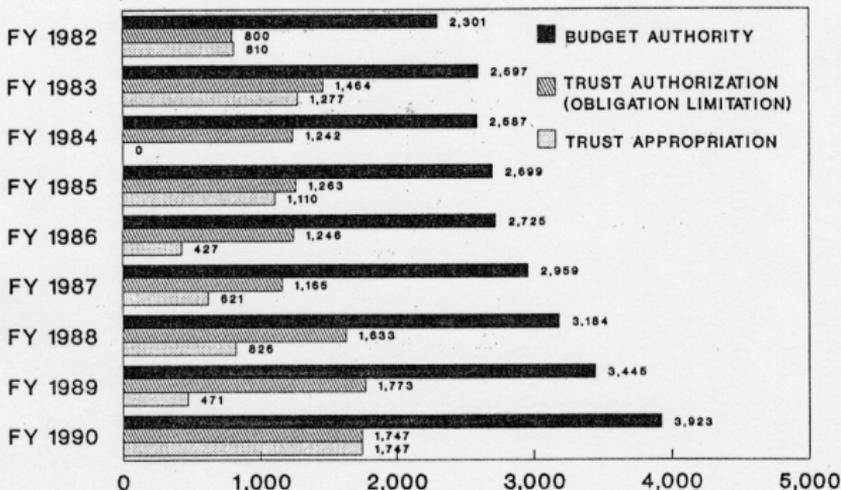


FY 1990 ESTIMATED

(Dollars in Millions)



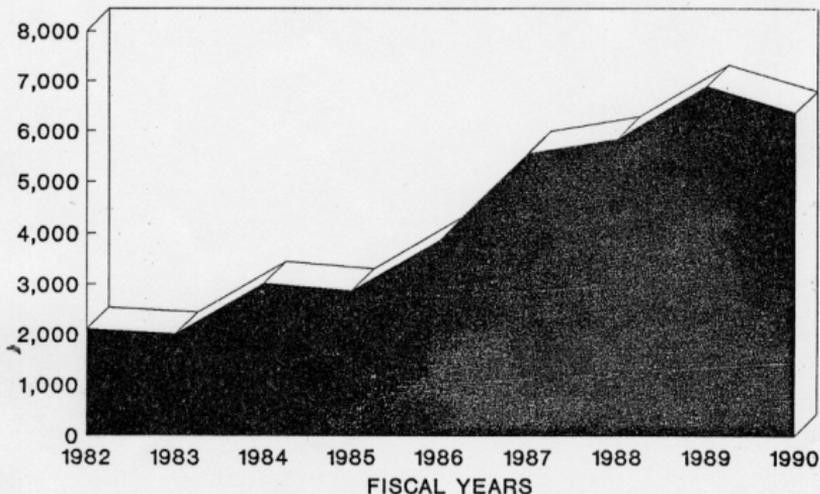
FEDERAL AVIATION ADMINISTRATION TRUST FUND SHARE OF OPERATIONS (Dollars in Millions)



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 user.
- 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 eight years (FY 1982-1989) have been funded from the Trust Fund. And, because of penalty clauses, approximately 25 percent of FAA's operating expenses have been financed from the Trust Fund.
- o The estimated Trust Fund uncommitted balance was about \$5.8 billion at the end of FY 1988. Balance is estimated to be at approximately \$6.9 billion at the end of FY 1989, and back to \$6.4 billion by the end of FY 1990, with the enactment of Administration Trust Fund legislative proposals.

**FEDERAL AVIATION ADMINISTRATION
AIRPORT & AIRWAY TRUST FUND
History of Uncommitted Balances
(Dollars in Millions)**



Airport and Airway Trust Funds
(in millions of dollars)

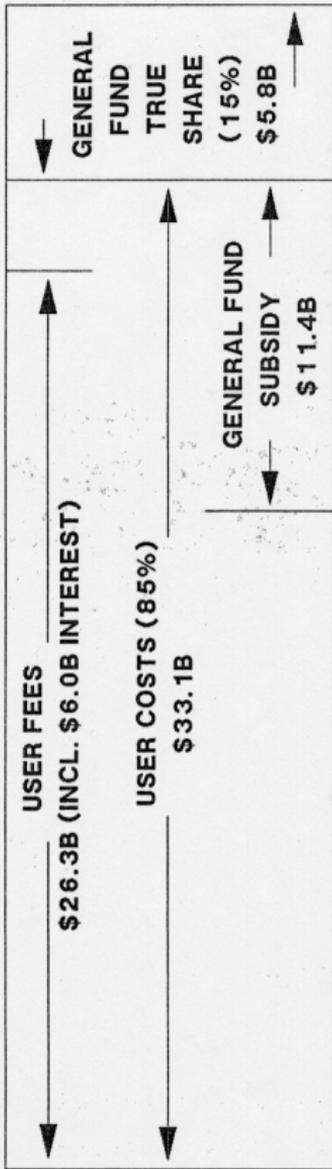
	FY 1988 ACTUAL	FY 1989 EST	FY 1990 EST
Annual user fees	3,188	3,688	3,934
Interest on earnings	893	1,002	1,140
Outlays	2,896	2,790	4,549
Commitments against unexpended balance	5,279	6,133	7,181
Uncommitted balance, end of year	5,841	6,887	6,364

**FEDERAL AVIATION ADMINISTRATION
FUNDING HISTORY FY 1982 - FY 1989**

TRUST FUND STATUS:

TRUST FUND APPROPRIATED FOR SUPPORT OF FAA OPERATIONS \$21.7B	TRUST FUND UNAVAILABLE FOR FAA SUPPORT (NOT APPROPRIATED) \$6.8B	TRUST FUND DEFICIT \$4.6B	GENERAL FUND TRUE SHARE \$5.8B
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COST ALLOCATION:



FAA APPROPRIATION SOURCES:



U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

