



U.S. Department
of Transportation
**Federal Aviation
Administration**

FEDERAL AVIATION ADMINISTRATION

BUDGET IN BRIEF

Fiscal Year 1991





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OVERVIEW

The President is proposing a 16 percent increase for aviation programs in FY 1991.

The demand for air travel is expected to double from 1980 to the year 2000. Already, the number of airline passengers in the U.S. has increased about 65 percent since airline deregulation in 1978. These passengers are expecting us to meet their demands with a modernized, expanded, and safe national airspace system.

Responding to increased air travel demands means transitioning from a national airspace system which is a patchwork of several generations of equipment, some of which is labor intensive and becoming technologically obsolete, to modern facilities and equipment. It will mean retraining our specialized workforce to operate, maintain, and support the new technology. It will mean expanding airport capacity. It will mean removing Federal restrictions on the local airport's ability to raise revenue and encouraging more public/private projects. It will mean increasing security to counter the growing threat of terrorism. It will mean expanding the FAA/industry inspection forces to respond to aging aircraft concerns.

Operations

For FAA operations, the FY 1991 request is for \$4.1 billion, a 7 percent increase over FY 1990. The increased funding will add almost 500 air traffic controllers, 300 safety inspectors, and 164 security specialists over estimated 1990 levels. Eight out of nine people in our operations perform safety essential jobs or directly manage those personnel. Only 12 percent are in support jobs which are also essential to keep spare parts moving, to train our safety staffs, perform routine support functions, and to oversee Government contracts.

Facilities and Equipment

For our Facilities and Equipment (F&E), the FY 1991 request is for \$2.5 billion, a 45 percent increase over FY 1990. In the early 1980's, the National Airspace System (NAS) Plan was developed as a blueprint to modernize and consolidate air traffic control facilities for greater operating efficiency and safety. Most of the research and development for these original NAS Plan projects is complete and nearly all are under contract. Now that these contracts are entering production and deployment phases, there is a major increase in F&E funding requirements in the early 1990's.

The benefits of modernizing the air traffic control system can be measured by such means as the value of hours saved by airline passengers. It is estimated that more than \$114 billion in benefits will be derived from the NAS Plan over the next several decades. The largest single recipient of benefits will be users of the system, including passengers and airlines. Some \$86 billion in user benefits will be gained by reducing airline delays and improving the routing of aircraft. The FAA itself will realize benefits from improving air traffic controller productivity through the use of better equipment and by reducing maintenance requirements. There will also be some \$4 billion in safety benefits by reducing the number of accidents through improved weather-related equipment.



Research, Engineering and Development

For research, engineering and development, the budget requests \$190 million, a 12 percent increase over FY 1990. The increases will enable the FAA to expand its explosives detection work, rapid-scan radar technology, and research into metal fatigue and corrosion to detect problems with aging aircraft.

Airport Programs

The President's Budget provides \$1.5 billion in new FY 1991 spending for federal airport grants, a 5.3 percent increase over FY 1990. In addition, the Administration proposes to ask Congress to remove existing statutory restrictions that prevent airports from raising revenue through the use of passenger facility charges (PFCs). A PFC is a local fee paid by departing passengers for the use of aviation facilities. PFCs are common in other countries. In fact, today PFCs can be found in 138 nations. Some estimates show PFCs could generate about \$1 billion per year for U.S. airports, which would provide a new, stable source of additional revenue for airport development. Another advantage of PFCs is that, under the Administration's proposal, they would free up a large portion of Federal airport grant funds for capacity expansion projects. Airports collecting PFCs would forgo a portion of their formula-driven Federal grant funds. Instead, these funds would be re-allocated to capacity expansion projects.

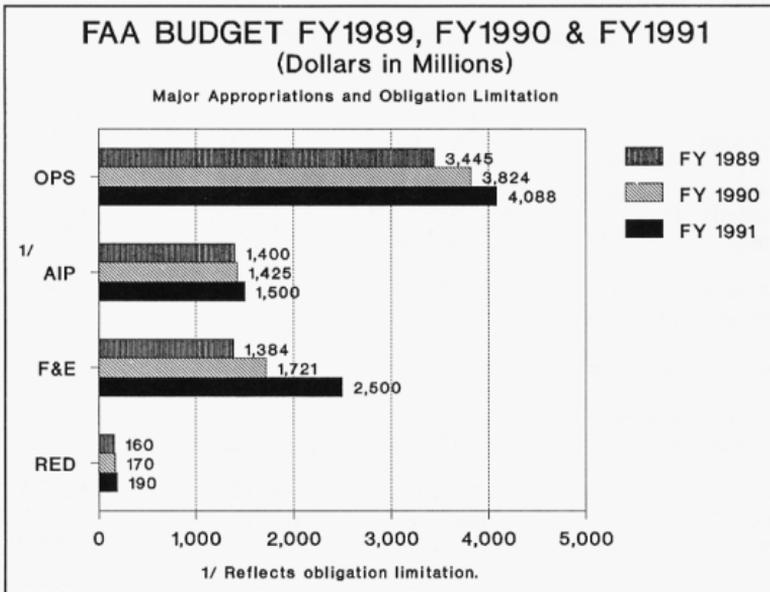
Airport and Airway Trust Fund

The aviation system has traditionally been financed in part through user fees deposited in the Airport and Airway Trust Fund. In this way the aviation users are a partner in financing a safe and efficient system. However, aviation users have not been financing their share of the system's costs. For example, a 1989 Congressional Budget Office report pointed out that "...private sector users of the aviation system have received more in capital and operating spending that they have paid in taxes." While studies show that users ought to cover 85 percent of the cost of FAA programs, from 1982 to 1990 the Trust Fund only covered approximately 55 percent of full cost of FAA's programs. The Administration believes that users of the aviation system should finance their share of aviation spending. This includes not only equipment modernization, research, and airport grants, but also the salaries of air traffic controllers and the other staff that help to keep flying safe and secure. From 1982 to 1990, the Trust Fund only covered approximately 25 percent of FAA's operations costs.

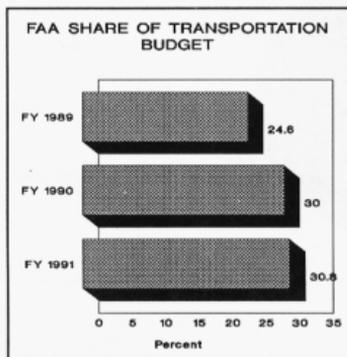
To continue the long-standing partnership with aviation users and to finance significant increases in aviation spending, the Administration proposes to increase aviation user fees accordingly. The passenger ticket fee would be raised from 8 to 10 percent during FY 1991 and other aviation fees would be raised similarly. Together with increased user fee collections, the Budget proposes to "spend down" the current level of balances in the Airport and Airway Trust Fund. The uncommitted balances would decline from \$7.6 billion at the end of FY 1990 to less than \$3.0 billion at the end of FY 1995.



OVERVIEW



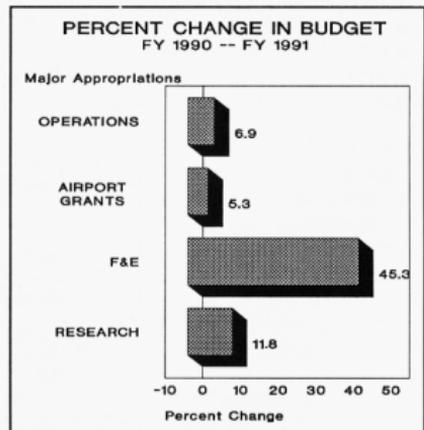
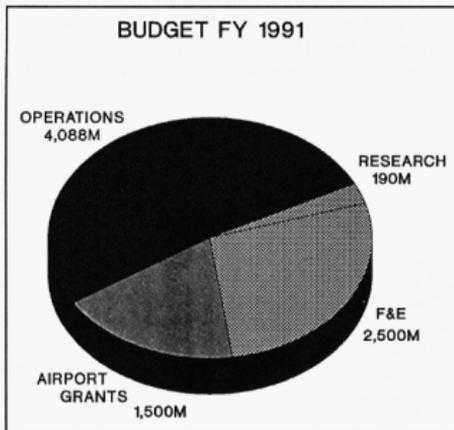
For FY 1991, the combined budget authority and airport grant obligation limitation for the Federal Aviation Administration are proposed at \$8,278 million, which is approximately a 16 percent increase above the FY 1990 enacted level. This budget provides for the continued safe operation of the National 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.





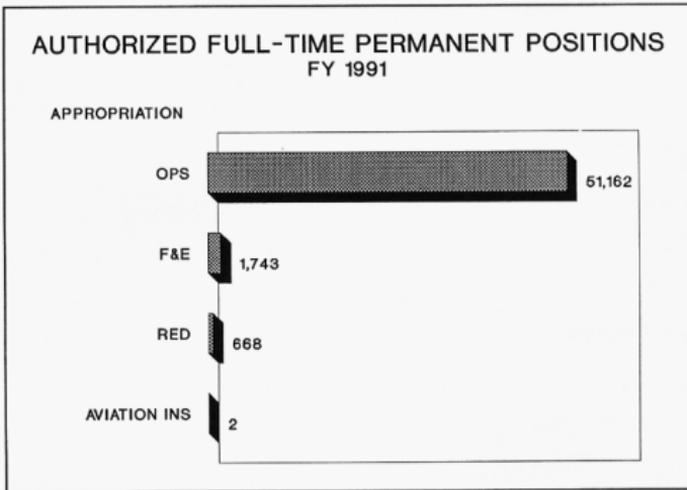
Budget Authority and Obligation Limitation
(Dollars in millions)

<u>Appropriation</u>	<u>FY 1990 Enacted</u>	<u>Increase/ Decrease</u>	<u>FY 1991 Request</u>
Operations	3,823.6	264.1	4,087.7
(General)	(3,016.4)	(-1,774.7)	(1,241.7)
(Trust)	(807.2)	(2,038.8)	(2,846.0)
Grants-In-Aid-Airports (Obligation Limitation)	1,425.0	75.0	1,500.0
Facilities and Equipment	1,721.2	778.8	2,500.0
Research, Engineering and Development	<u>170.2</u>	<u>19.8</u>	<u>190.0</u>
TOTAL	7,140.0	1,137.7	8,277.7
(General)	(3,016.4)	(-1,774.7)	(1,236.0)
(Trust)	(4,123.6)	(2,912.4)	(7,004.0)
Contract Authority Grants-In-Aid-Airports	1,651.2	148.8	1,800.0





OVERVIEW



AUTHORIZED FULL-TIME PERMANENT POSITIONS

	<u>FY 1990</u>	<u>Increase/ Decrease</u>	<u>FY 1991</u>
Operations	50,196	+ 966	51,162
Facilities and Equipment	1,368	+ 375	1,743
Research, Eng and Development	645	+ 23	668
Aviation Insurance	<u>2</u>	<u>0</u>	<u>2</u>
Total Agency	52,211	+ 1,364	53,575



FY 1991 CONGRESSIONAL REQUEST
STAFFING

	FY 1989 Actual:		FY 1990 Program Level:		FY 1991 Request:	
	POS.	FTE	POS.	FTE*	POS.	FTE*
<u>OPERATIONS</u>						
Operation of Traffic Control System	27,150	26,247	27,933	27,100	27,791	27,646
NAS Logistics Support	1,481	1,571	1,525	1,595	1,579	1,599
Maintenance of Traffic Control System	10,454	9,863	10,445	10,110	10,736	10,525
Leased Telecommunications Services	0	0	0	0	0	0
Administration of Aviation Standards Program	6,059	5,341	6,673	5,860	7,336	6,441
Development Direction	136	137	140	158	150	166
Administration of Airports Programs	472	469	521	492	530	497
Direction, Staff & Supporting Services	946	1,157	1,166	1,314	1,180	1,362
Human Resource Mgmt	1,256	1,437	1,398	1,494	1,460	1,555
Headquarters Admin	520	511	395	402	400	402
Management Savings	0	0	0	0	0	(200)
SUB-TOTAL, OPERATIONS	43,474	46,733	50,196	48,525	51,162	49,993
<u>FACILITIES AND EQUIPMENT</u>	1,162	1,302	1,368	1,326	1,743	1,514
<u>RESEARCH, ENG. AND DEV.</u>	645	670	645	673	668	698
<u>AVIATION INSURANCE</u>	2	2	2	2	2	2
TOTAL, DIRECT PROGRAM	50,283	48,707	52,211	50,526	53,575	52,207
<u>REIMBURSABLE</u>						
Operations	427	335	500	500	500	500
Facilities and Equip.	55	54	53	53	55	55
Research, Eng. and Dev.	6	6	6	6	6	6
TOTAL, REIMBURSABLE	488	395	559	559	561	561
GRAND TOTAL	50,771	49,102	52,770	51,085	54,136	52,768

* The Full-Time-Equivalent (FTE) position estimates for FY 1990 and FY 1991 are for planning purposes and are subject to slight variation depending upon unknowns such as retirement rates.

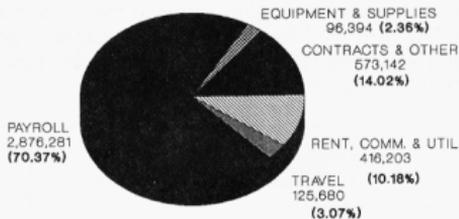


OPERATIONS

The FY 1991 budget for the Federal Aviation Administration's Operations Appropriation places continued emphasis on safety, security and efficiency of the national airspace system. In support of this, \$4.087 billion is necessary, a 7% increase above the FY 1990 funding level. The budget includes funding for 51,162 positions, which is an increase of 966 positions above the current level.

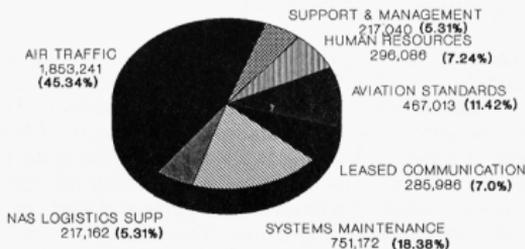
Funding increases totalling \$233 million will support mandatory wage and price increases to sustain current services requirements in this appropriation which is over 73% payroll. In addition, \$31 million will provide program growth in the four major safety critical work forces: controller work force; field maintenance staffing; and safety and security inspectors.

FY 1991 BUDGET-BY MAJOR OBJECT CLASS
(Dollars in Thousands)



The Operations Appropriation budget consists of ten major program activities which provide essential support to the aviation system. Eight out of nine people in operations are in safety essential jobs or directly manage those personnel and programs. Other personnel and activities provide the support which is essential to keeping spare parts moving, to training critical work force staffs, and to prevent fraud, waste, and abuse.

FY 1991 BUDGET BY MAJOR ACTIVITY
(Dollars in Thousands)



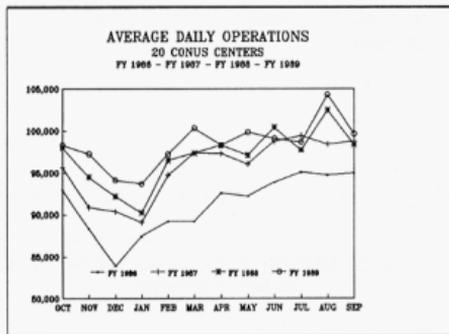
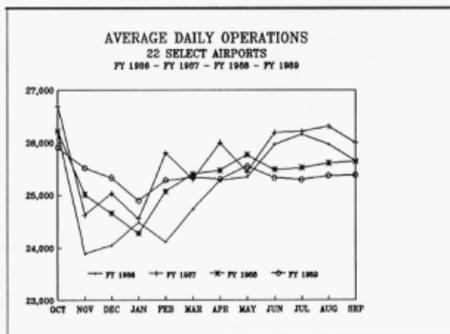
The graph to the left identifies the allocation of funds within the major program activities for FY 1991.



AIR TRAFFIC - 27,791 Positions and \$1,853,241,000

Twenty-four hour operation of a national system of air traffic management in the United States, its territories, and possessions is executed and managed by the Air Traffic Program. With the aid of radar, communications, and other facilities, traffic management personnel at 24 centers monitor and control en-route 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. Over 200 existing and automated flight service stations (FSS) provide weather and aeronautical information to pilots, process flight plans, and provide in-flight advisory and emergency service.

The proposed FY 1991 increase of 158 positions will support new automation and quality assurance staffing requirements at the centers and towers. On-board controller workforce staffing will grow by almost 500. Authorized positions for the controller work force in FY 1991 will be continued at the 17,495 level. Key air traffic workload indicators for FY 1986-89 are shown in the following graphs:



NAS LOGISTICS SUPPORT - 1,579 Positions and \$217,162,000

Workload in this activity is a direct result of ensuring the effective and efficient logistical support of air traffic and air navigational control facilities. The agency has embarked on a program of modernization that uses cradle to grave, life cycle acquisition processes. This is a structured process that allows for the acquisition, maintenance and operation of NAS equipment in an efficient and economical manner. The first two steps of the life cycle are approximately 30 percent of the required life cycle expenditure and are funded through the Facilities and Equipment (F&E) appropriation. The remaining 70 percent of spare parts and routine repair is funded within the Operations appropriation. This activity covers the logistics portion of the maintenance and operations necessary to complete a year of the life cycle.



OPERATIONS

The FY 1991 funding request will provide for mandatory wage and price increases in support of current services requirements. No new program growth is requested.

SYSTEMS MAINTENANCE - 10,736 Positions and \$751,172,000

The Systems Maintenance program provides for the maintenance, repair and engineering of over 25,000 facilities and equipment comprising the NAS including: air traffic control equipment, navigation and landing aids, flight service facilities, and support of FAA plant facilities. The introduction of new solid-state equipment and other new technologies resulting from the implementation of the NAS plan presents this work force with new challenges and resource requirements. In addition, the activity operates the Telecommunications Management and Operations (TM&O) Program which manages the expanding Agency-owned telecommunications system in order to improve reliability and achieve projected savings associated with the implementation of a variety of new initiatives.

Increases in the FY 1991 program will provide for employment growth to bring the on-board end of year level for the field maintenance work force to 9,000. This work force maintains and repairs facilities and equipment comprising the National Airspace System (NAS).

LEASED TELECOMMUNICATIONS - \$285,986,000

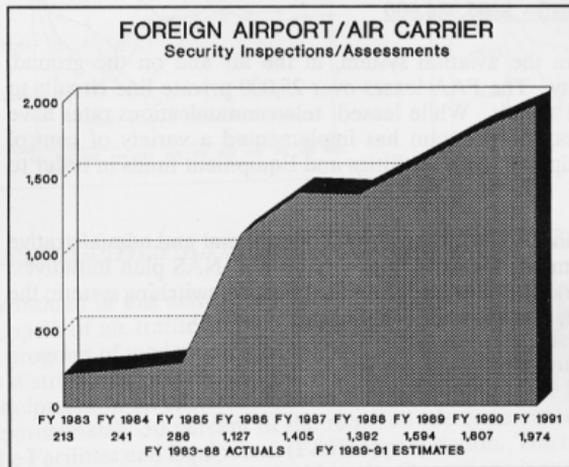
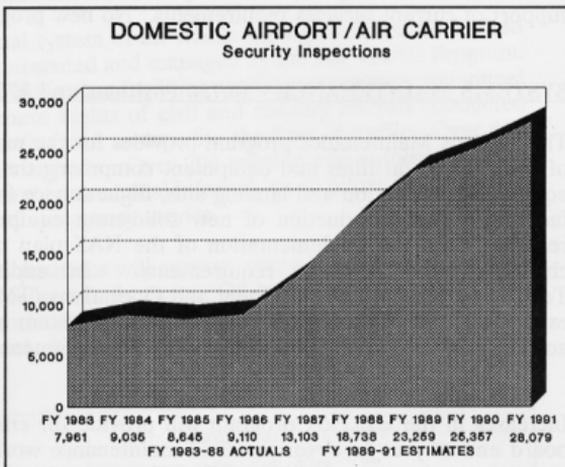
Communication to support and run the aviation system, in the air and on the ground, worldwide are funded by this activity. The FAA leases over 25,000 private line circuits to transmit radar, computer and voice signals. While leased telecommunications rates have risen dramatically in the past years, the program has implemented a variety of control measures, including purchasing equipment with Facilities and Equipment funds in order to eliminate future leasing costs.

A six percent increase of \$18.3 million in FY 1991 will fund operational and administrative leased telecommunications requirements for existing as well as new NAS plan initiatives; such as the data multiplexing network; the intergraded communication switching system; the radio communications link network; and the traffic management system.



AVIATION STANDARDS - 7,336 Positions and \$467,013,000

Civil aviation flight safety is promoted through this activity 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 in-flight performance for compliance with prescribed standards. In addition, the program includes the development, publication, and administration of the safety standards, rules and regulations applicable to airmen, aircraft, and operations involved in all United States civil aviation throughout the world, as well as foreign operations into and over United States territory. Monitoring signal accuracy emitted by the aids to air navigation, development of flight procedures for use of United States civil and military aviation and



foreign air carriers operating in this country, and registration and recordation of airmen and aircraft are also assured through program funding.

The FY 1991 budget will provide continued emphasis on safety enforcement and security efforts by increasing the flight standards inspector work force to 3,058 (an addition of 300 positions), the aviation security work force to 848 (an addition of 164 positions), and the certification work force to 918 (an addition of 35 positions).



OPERATIONS

DEVELOPMENT DIRECTION - 150 Positions and \$15,321,000

Technical and administrative program management for the Agency's \$15.8 billion NAS plan is provided in the Development Direction Program. In addition, the program supports efforts to modernize the NAS as well as providing for the planning, monitoring, and coordinating of the research, engineering, test and evaluation programs associated with the aviation system.

The 1991 funding level will support ongoing current services requirements. No new program growth is requested.

ADMINISTRATION OF AIRPORTS - 530 Positions and \$38,920,000

The Airports Program covers the identification, planning, development, capacity enhancement, and safety certification of the nation's system of public airports to serve the needs of civil aviation in the fifty states and territories. Principal activities in the program include: planning and promoting efforts to enhance airport capacity and reduce delays; participating in safety efforts at national and international airports; administering grants for the Airport Improvement Program; and certifying the safety of the nation's airports.

Funding in FY 1991 will sustain current service requirements. No program growth is requested.

DIRECTION, STAFF AND SUPPORT SERVICES - 1,180 Positions and \$130,961,000

The FAA's essential administrative and infrastructure services are supported in this program. Activities associated with the direction and management, public affairs, international aviation, legal, policy and plans, as well as requirements for administrative payrolls, communications, administrative supplies and other support services at the center, regional and overseas offices are funded in the program.

Funding in FY 1991 will support current operations. No additional program growth is requested.



OPERATIONS

HUMAN RESOURCES MANAGEMENT - 1,460 Positions and \$296,086,000

The administration of the Agency's employee recruitment, development, training, compensation and labor-management relations activities are supported in the Human Resources Management Program. The most important goal of the program is to provide a cadre of highly skilled, competent, and motivated professionals to accomplish ongoing objectives in improving air safety while promoting aviation-related activities. Funding is provided for technical and management training programs; recruitment and placement of personnel; initiation of labor relations activities targeting increased employee participation in the work place; human relations improvements for increased productivity; and administration of the Airway Science Grant Program intended to foster and encourage industry participation in aviation education. This activity includes a payment in excess of \$60 million to the Department of Labor for workers' compensation for former FAA employees.

Emphasis in FY 1991 will focus on the continued modernization of the Agency's technical training program for air traffic training, applicant testing, screening, and other requirements to accommodate NAS plan technology.

HEADQUARTERS ADMINISTRATION - 400 Positions and \$31,838,000

This activity supports all of the Washington headquarters administrative functions that establish policy and direct and develop programs which provide the following administrative services: Policy and Plans, Accounting, Budget, Civil Rights, International Aviation, and Management and Data Systems. The FY 1991 proposed level of \$31,838,000 does not provide for program growth other than inflationary increases.



OPERATIONS

FY 1991 CONGRESSIONAL REQUEST DOLLAR RESOURCES (Dollars in Thousands)

	FY 1989 : Actual :	FY 1990 : Estimate :	FY 1991 : Request :	Percent Change
Operation of Traffic Control System	\$ 1,558,063 :	\$ 1,712,868 :	\$ 1,853,241 :	8.20%
NAS Logistics Support	192,890 :	206,304 :	217,162 :	5.26%
Maintenance of Traffic Control System	660,106 :	713,700 :	751,172 :	5.25%
Leased Telecommunications Services	244,298 :	267,637 :	285,986 :	6.86%
Administration of Aviation Standards Program	369,292 :	421,267 :	470,438 :	11.67%
Development Direction	11,233 :	14,921 :	15,321 :	2.68%
Administration of Airports Programs	33,849 :	37,716 :	38,920 :	3.19%
Direction, Staff & Supporting Services	110,600 :	128,857 :	130,961 :	1.63%
Human Resource Mgmt	233,315 :	290,120 :	296,086 :	2.06%
Headquarters Administration	36,337 :	30,949 :	31,838 :	2.87%
Management Initiatives			(3,425):	
TOTAL, Operations	\$ 3,449,983 :	\$ 3,824,339 :	\$ 4,087,700 :	6.89%



SPECIAL INTEREST WORK FORCE

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, 1989, the controller work force (CWF) employment was 16,921 of which 10,234 controllers were at the full performance level. FAA is committed to a minimum CWF of 17,000 by the end of FY 1990.
- o For FY 1991, we will increase the on-board CWF to 17,495 by the end of the fiscal year.
- o The 17,495 position level authorized for FY 1990 and continued in FY 1991 was based on projections made in 1987 of workload related to forecasted traffic growth. It was also built to accommodate organizational changes, such as airspace reconfiguration, sector changes, addition/expansion of terminal control areas and buffer zones and the delivery schedule for new controller work stations.
- o Actual aviation traffic growth was slightly less than forecasted for FY 1989. Major carriers did not increase domestic operations as anticipated and the Eastern Airlines' strike reduced aviation operations. Due to slower 1989 growth, traffic operations in coming years will also increase at a lower rate.
- o The software for the Initial Sector Suite System (ISSS) originally set for delivery in August 1992 will slip approximately 13 months with a corresponding slip in the associated number of controllers needed.
- o In FY 1990 and FY 1991, greater emphasis will be placed on ensuring that a sufficient number of trained controllers are moved from the lower activity Level I, II, and III airport control tower facilities to the higher activity Level IV and V airport control tower facilities and to certain en route centers to correct staffing imbalances.



OPERATIONS

Aviation Safety Inspectors

- o FAA has an increasing need for aviation safety inspectors for FY 1991 and beyond 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 1991 as another increment of planned increases. This will bring total inspector positions up to 3,058, with an associated year-end employment level of 2,800.
- o For FY 1991, 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. The NAS includes the following major types of facilities: navigation and landing aids, radar, automation systems, and communication equipment. In addition, the work force is responsible for the maintenance of physical structures and grounds.
- o FAA will increase the end of year employment level by 200 for a new FY 1991 total of 9,000 in the field maintenance work force, which is responsible for maintaining over 23,000 facilities. Of the 9,000, about 65 percent are electronics technicians.

Civil Aviation Security Staffing

- o In FY 1991, FAA will reach an end of year employment level of 800 in the Civil Aviation Security work force, an increase of 170 over FY 1990.
- 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 implementation of effective security programs, increased use of Federal Air Marshals (FAM's) and enhanced assessment and monitoring of foreign/domestic airports and air carriers.
- o The FAA has requested 164 additional security positions in FY 1991 for permanent assignment of Civil Aviation Security special agents overseas, and to attain the required staffing as set forth in the Civil Aviation Security staffing standards study.

**Civil Aviation Security Staffing (continued)**

Some of these agents will perform Federal Air Marshal duties, and others will be utilized to support the increased level of foreign airport assessments, U.S. and foreign airport/air carrier station inspections and assessments (including inspection and enforcement activity to ensure compliance with security requirements), review and approval of foreign air carrier security programs, implementation of explosives detection security programs utilizing technology such as enhanced thermal neutron analysis systems, development of critical terrorist threat information through intelligence analyses, and protection of those traveling in air commerce.

SPECIAL INTEREST STAFFING
End-of-Year Employment

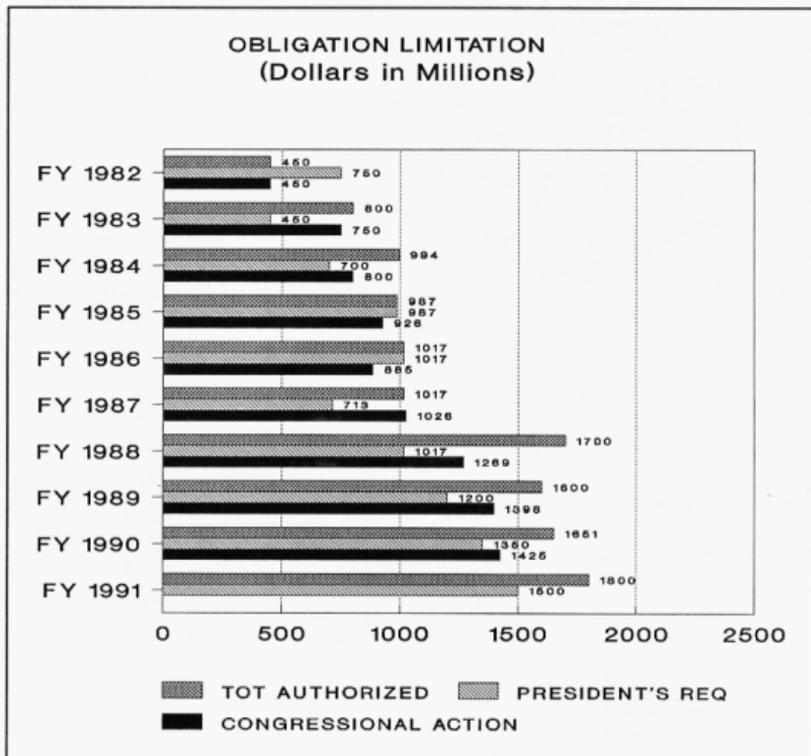
	FY 1986 Actual	FY 1987 Actual	FY 1988 Actual	FY 1989 Actual	FY 1990 Estimated	FY 1991 Estimated
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Controller Work Force	14,803	15,433	16,436	16,832	17,000	17,495
Inspector Work Force	1,813	1,939	2,198	2,311	2,575	2,800
Civil Aviation Security	379	404	478	511	630	800
Field Maintenance Work Force	8,306	8,667	8,646	8,687	8,800	9,000



GRANTS-IN-AID TO AIRPORTS

For FY 1991, \$1,500 million (obligation limitation level), an increase of 5.3 percent, is requested for airport improvement grants, which emphasize capacity, development, safety, and security needs.

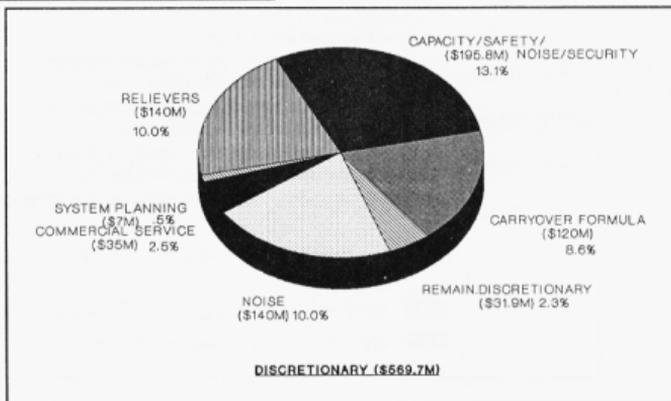
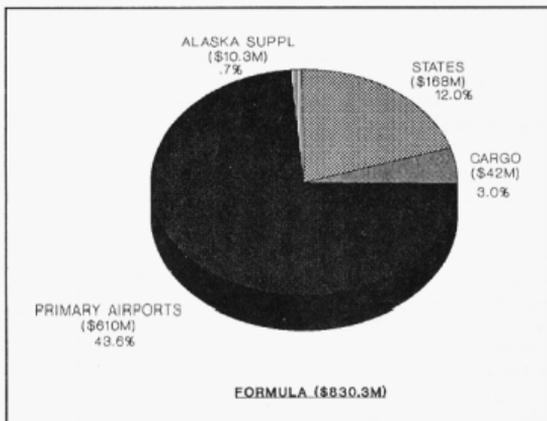




AIRPORT IMPROVEMENT PROGRAM

FY 1991 FORMULA/DISCRETIONARY GRANTS

Airport and Airway Safety and Capacity Expansion Act of 1987



The FY 1991 request for a \$1.5 billion obligation limitation includes a \$100 million discretionary set-aside for capacity projects. The above distribution is based on a limitation of \$1.4 billion, with the exception of the discretionary capacity/safety/noise/security portion which includes the \$100 million set-aside. Due to the set-aside, the distribution does not add to 100%.



FACILITIES & EQUIPMENT

For FY 1991, \$2,500 million, a 45 percent increase (\$779 million) over FY 1990, is requested to fund planned facilities and equipment procurements and installations. The funding requested for FY 1991 supports the FAA's comprehensive plan to modernize and improve the nation's airspace system (NAS) and to improve air traffic control and airway facilities services. To this end, the funds requested would provide for significant progress in implementing such major NAS modernization projects as the advanced automation system (AAS) designed to upgrade the system's air traffic control computer technology, the voice switching and control system (VSCS) designed to modernize the system's outdated communications network, terminal Doppler weather radar (TDWR) which would improve hazardous weather detection in terminal areas, and long range radar (LRR) designed to replace obsolete navigational radars at FAA/Department of Defense facilities.

At the same time, the requested funds would provide for maintenance of the current infrastructure by funding the projects needed to keep today's systems operating until the late 1990's, when concurrent modernization efforts can put new equipment in place. Among numerous short-term requirements for funding are the interim support plan (ISP) which will overhaul outdated air traffic control computers and radars, the consolidation and expansion of radar approach control facilities for all of southern California, relocation of radar approach control for Chicago's O'Hare Airport and surrounding airports, and replacement of obsolete radio control equipment at dozens of control towers so that controllers can communicate with pilots without interruption. The requested funding would also provide FAA radar and related equipment for new capacity-enhancing airport facilities at Dallas/Ft. Worth and Denver which will benefit not only the surrounding areas, but also improve traffic flow throughout the country.

Major FY 1991 programs are: (\$ in millions)

Advanced Automation System (AAS)	\$556
Voice Switching and Control System (VSCS)	185
Systems Engineering and Support Services	111
Interim Support Plan	99
Terminal Doppler Weather Radar (TDWR).....	84
Los Angeles Basin Facilities Consolidation	76
Long Range Radar (LRR)	75
FAA Support of New Denver Airport Establishment	60
ARTCC Improvement/Plant Modernization	46
Dallas/Fort Worth Metroplex Expansion	40
Mode S Beacon System	37
Microwave Landing System (MLS)	35



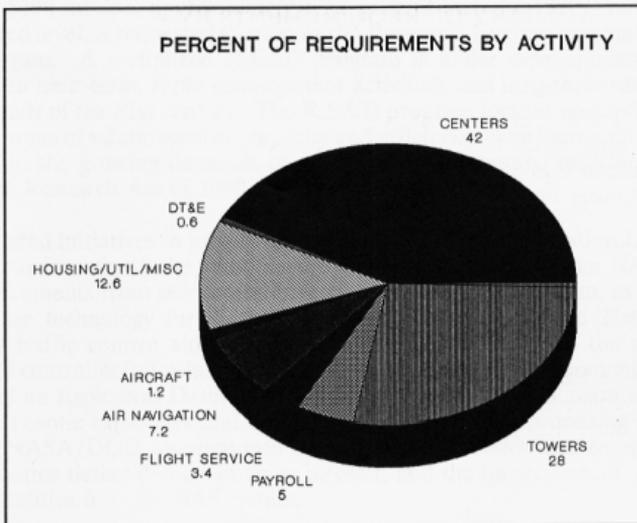
FACILITIES & EQUIPMENT

SUMMARY OF REQUIREMENTS BY ACTIVITY

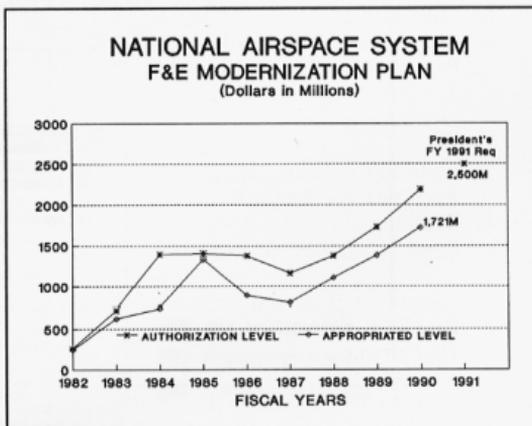
<u>Activity</u>	<u>1991 Request</u>
1. Air Route Traffic Control Centers	
a. Long Range Radar	\$ 135,844,600
b. Automation Equipment	598,845,000
c. Other Center Facilities	<u>315,362,200</u>
	1,050,051,800
2. Airport Traffic Control Towers	
a. Terminal Area Radar	195,522,000
b. Terminal Area Automation	170,550,000
c. Other Tower Facilities	<u>333,278,000</u>
	699,350,000
3. Flight Service Facilities	
a. Flight Service Stations	83,801,000
b. International Flight Service Stations	<u>0</u>
	83,801,000
4. Air Navigation Facilities	
a. VORTAC	31,241,000
b. Low and Medium Frequency Facilities	2,615,000
c. Instrument and Visual Landing System	<u>145,515,000</u>
	179,371,000
5. Housing, Utilities, and Miscellaneous Facilities	
a. Housing	0
b. Utilities and Miscellaneous Facilities	92,400,100
c. Provide Various Air Navigational Aids/Air Traffic Control Facility Improvements and Support	<u>223,973,100</u>
	316,373,200
6. Aircraft and Related Equipment	
a. Facilities and Flight Inspection	27,685,000
b. Training	0
c. Logistics, Job Performance, and Other	<u>2,200,000</u>
	29,885,000
7. Development, Test and Evaluation Facilities	
a. Buildings, Construction, and Improvements	8,790,000
b. Equipment	<u>7,480,000</u>
	16,270,000
8. Personnel Compensation, Benefits, and Travel	
a. Establishment/Improvement of Facilities	114,410,000
b. Flight Inspection	1,625,000
c. Factory Inspection/Contract Support	6,313,000
d. Aeronautical Center	<u>2,550,000</u>
	124,898,000
TOTAL, ALL ACTIVITIES	\$ 2,500,000,000



FACILITIES & EQUIPMENT



The cumulative difference from FY 1982 through FY 1990 between the amounts appropriated and the amounts authorized by congress for Facilities and Equipment is \$2,753 million.

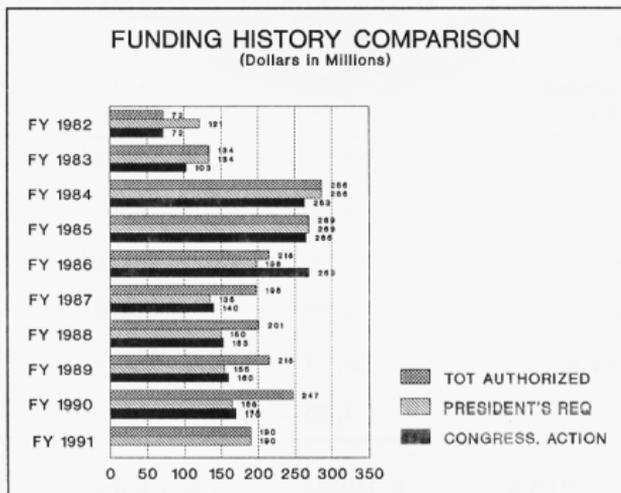




RESEARCH, ENGINEERING AND DEVELOPMENT

For FY 1991, \$190 million, approximately a 12 percent increase (\$20.0 million) over the FY 1990 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 R,E&D program focuses research in the FAA's major mission areas of safety, security, capacity and efficiency. The increased spending level is in response to the growing demands of the aviation community, the Congress, and the Aviation Safety Research Act of 1988.

New and expanded initiatives in program areas are: a National Simulation Laboratory that will enable us to investigate the relationships between elements of the NAS system and capacity enhancements from our capital investments over the long term, as well as to test and demonstrate technology for the air traffic control system of the 21st century; new automated air traffic control aids for the terminal environment and the related human factors issue of controller/pilot integration into the automated environment of the future; development of an Explosives Detection Laboratory to test and demonstrate technology to detect new and exotic explosives and to expedite field testing of promising developments; application of NASA/DOD research into metal fatigue, corrosion and composite material properties to better detect defects in aging aircraft; and the integration of severe weather detection capabilities into the NAS system.

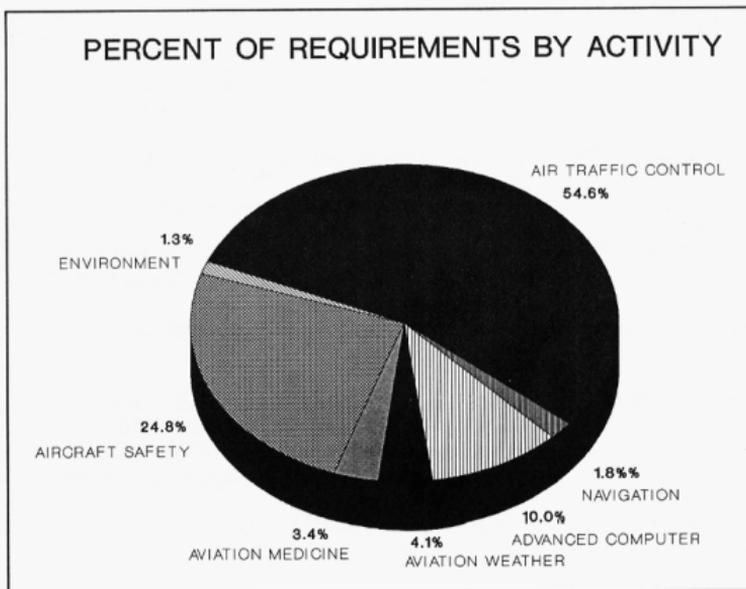




RESEARCH, ENGINEERING AND DEVELOPMENT

SUMMARY OF REQUIREMENTS BY ACTIVITY/PROGRAM

ACTIVITY/PROGRAM	FY 1989 <u>Appropriation</u>	FY 1990 <u>Appropriation</u>	FY 1991 <u>Request</u>
1. Air Traffic Control			
a. System	\$ 9,623	\$ 15,511	\$ 14,899
b. Beacon	1,799	1,107	1,380
c. Aircraft Separation Assurance	14,444	7,359	10,576
d. Communications	14,949	12,708	11,084
e. System Capacity & Airports	25,779	28,725	33,773
f. Terminal/Tower Control	100		
g. Technology	6,688	7,638	8,362
h. Support	4,512	5,134	7,827
i. Rotorcraft/Power Lift Vehicles	6,146	4,109	4,018
j. Human Systems & Operations	5,157	10,542	10,731
k. Flight Planning Optimization	0	115	1,096
	-----	-----	-----
	\$ 89,197	\$ 92,948	\$ 103,746
2. Advanced Computer			
a. Advanced Automation	7,379	7,512	4,963
b. ATC Automation	15,688	10,266	14,178
	-----	-----	-----
	\$ 23,067	\$ 17,778	\$ 19,141
3. Navigation	3,150	2,630	3,359
4. Aviation Weather	12,878	13,111	7,739
5. Aviation Medicine	6,097	6,450	6,473
6. Aircraft Safety/Security	23,701	35,276	47,142
7. Environment	1,855	1,970	2,400
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TOTAL, ALL ACTIVITIES	\$ 159,945	\$ 170,163	\$ 190,000





AIRPORT AND AIRWAY TRUST FUND

- o The authorization for FAA Research, Engineering, and Development (R,E&D) and Facilities and Equipment (F&E) programs expires September 30, 1990. Also, user taxes which support the Airport and Airway Trust Fund expire at the end of 1990. Therefore, reauthorization legislation will be proposed for FY 1991 to 1995 for these programs. The proposal also contains several new initiatives for the airport grant program.
- o The Administration's reauthorization legislation proposal consists of the following major elements:
 - o A 5-year reauthorization period for all programs (FY 1991 through FY 1995).
 - o An Airport Improvement Program composed of:

Annual Federal Grant contract authority levels of \$1.8 billion for FY 1991 and FY 1992 and \$1.55 billion for FY 1993 through FY 1995.

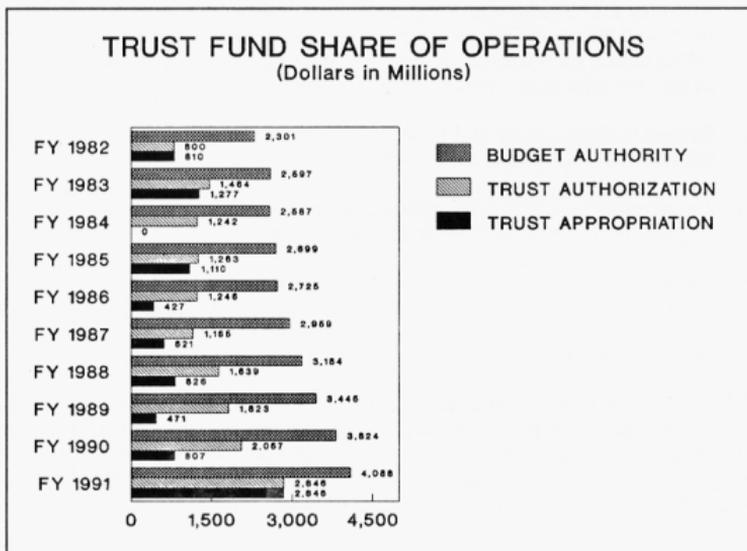
Authority for local airports to collect a Passenger Facility Charge of up to \$3 per passenger.
 - o Facilities and Equipment Program annual funding levels of \$2.5 billion for FY 1991, \$3.0 billion for FY 1992 and FY 1993, \$2.5 billion for FY 1994 and FY 1995 (\$13.5 billion for 5 years). (In addition, contingency authorization funding will be sought for additional Area Control Facilities, should they be required.)
 - o Research, Engineering and Development Program annual funding levels of \$190 million in FY 1991 and \$195 million for FY 1992 - 1995.
 - o An increased level of FAA operations financed from the Trust Fund to recover 85 percent of the total FAA budget in FY 1991 and thereafter.
 - o Trust Fund enhancements including--increase of the passenger ticket tax from 8 percent to 10 percent, increase the freight waybill tax from 5 percent to 6 percent, increase aviation gasoline tax from 12 cents to 15 cents, and increase jet fuel tax from 14 cents to 18 cents.
- o In addition to these critical FAA program matters, the proposal also addresses structural aspects of the FAA that have hampered management of the NAS Plan. These proposals range from a more flexible pay and classification system for FAA employees to a more commercial approach to leasing and contracting, and other aspects of bringing airway system improvements online.



AIRPORT AND AIRWAY TRUST FUND

TRUST FUND SHARE OF FAA COSTS

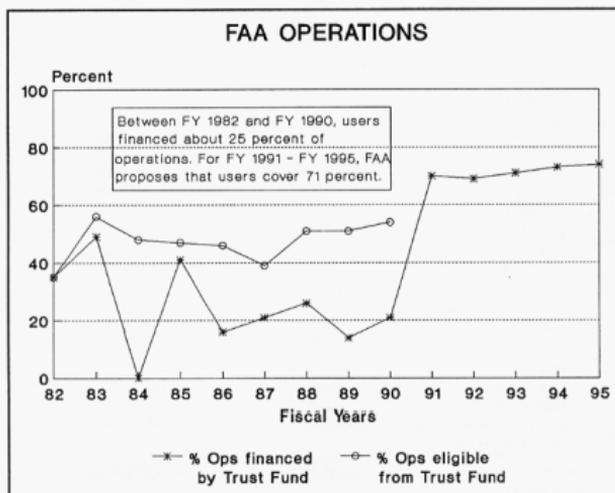
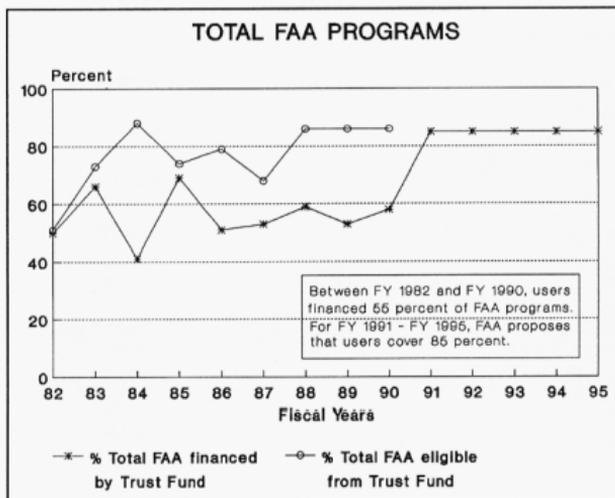
- o The FAA believes that the costs of operating and modernizing the national airway system should be borne by the user.
- o Recent cost allocation studies reconfirm prior analysis that over 85 percent of the airway system costs can be attributed to use by civil aviation. Slightly less than 15 percent is attributable to national security needs and other public sector uses, and will continue to be paid by general revenues.
- o By contrast, slightly over half of FAA's total costs over the past nine years (FY 1982-1990) 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 \$6.9 billion at the end of FY 1989. The balance is estimated to be approximately \$7.6 billion at the end of FY 1990 and \$6.4 billion by the end of FY 1991, with the enactment of Administration Trust Fund legislative proposals. It is expected to decline to less than \$3.0 billion by FY 1995.





AIRPORT AND AIRWAY TRUST FUND

PERCENT OF FAA PROGRAMS FINANCED BY USERS





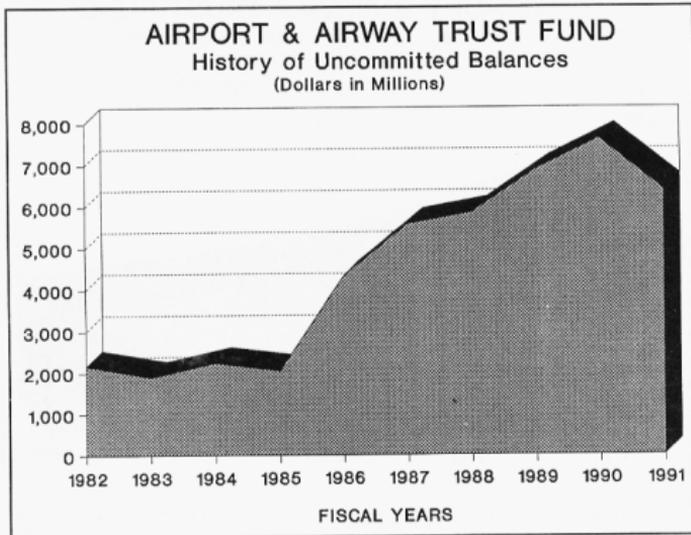
AIRWAY AND AIRWAY TRUST FUND

Amounts Available for Appropriation (Dollars in Thousands)

	FY 1989	*EST* FY 1990	*EST* FY 1991
Unappropriated balance, start of year	8,116,120	9,594,677	10,810,178
Revenue	4,673,802	5,133,600	2,491,100
Proposed revenue			3,644,700
Total available for appropriation	12,789,922	14,728,277	16,945,978
Appropriations:			
Facilities and equipment	(1,384,184)	(1,746,487)	(2,500,000)
Research, engineering and development	(159,945)	(173,000)	(190,000)
Grants-in-aid for airports:			
Appropriation to liquidate contract authority	(1,150,000)	(1,190,000)	(1,277,000)
Trust fund share of FAA operations	(471,320)	(816,500)	(2,846,000)
Emergency Relief	(100)		
GRH/Drug Bill Adjustments		37,888	
Department of Commerce: NOAA, operations, research and facilities	(28,717)	(30,000)	(34,521)
Total appropriations	(3,194,266)	(3,955,987)	(6,847,521)
Adjustments in expired, restored from unappropriated receipts	(979)		
Unappropriated balance, end of year	9,594,677	10,810,178	10,098,457
Unexpended balance brought forward:			
U.S. securities (par)	11,131,666	12,913,048	14,572,311
Cash	(11,493)	24,473	10,000
Balance of fund, start of year	11,120,173	12,937,521	14,582,311
Cash income during the year:			
Government receipts:			
From excise taxes:			
Passenger ticket tax	3,201,447	3,387,000	3,643,100
Waybill tax	180,645	189,500	199,200
Fuel tax	628,597	106,300	110,100
International departure tax	105,818	224,100	291,600
Proposed legislation:			
Passenger ticket tax			573,900
Waybill tax			30,800
Fuel tax			17,900
International departure tax			(7,000)
Refund of taxes	(452,042)	(7,000)	(7,000)
Intrabudgetary transaction:			
Interest on investments	1,009,337	1,233,700	1,276,200
Total annual income	4,673,802	5,133,600	6,135,800
Cash outgo during the year:			
Federal Aviation Administration:			
Grants-in-aid for airports	1,134,615	1,284,200	1,386,400
Facilities and equipment	1,088,106	1,088,400	1,579,200
Research, engineering and development	127,562	179,441	200,973
Operations	477,454	807,185	2,846,000
Department of Commerce: NOAA	28,717	29,584	34,521
Total annual outgo	2,856,454	3,488,810	6,047,094
Unexpended balance carried forward:			
U.S. securities (par)	12,913,048	14,572,311	14,661,017
Treasury balance	24,473	10,000	10,000
Balance of fund, end of year	12,937,521	14,582,311	14,671,017
Commitments against unexpended balances:			
Appropriated but not expended			
Committed to future liquidating cash appropriations to liquidate outstanding obligations (contract authority)	(3,342,844)	(3,772,133)	(4,572,560)
Unobligated balance, contract authority	(1,982,575)	(2,217,575)	(2,440,575)
	(742,587)	(968,787)	(1,268,787)
Uncommitted balance, end of year	6,869,515	7,623,816	6,389,095



AIRPORT AND AIRWAY TRUST FUND

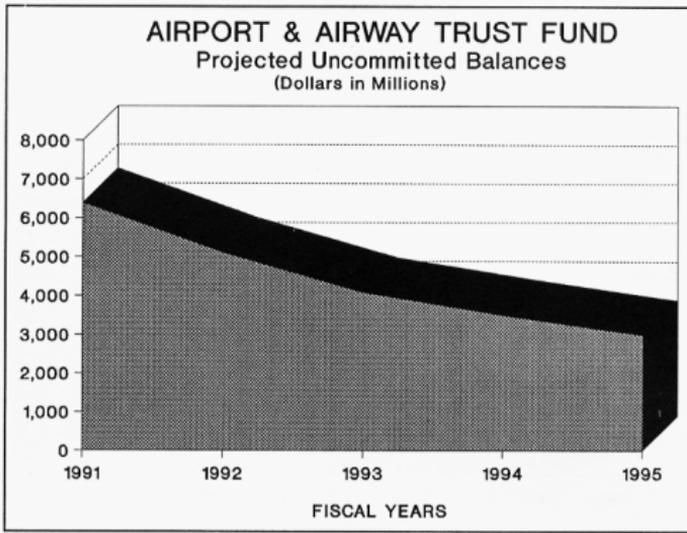


Airport and Airway Trust Fund
(Dollars in millions)

	FY 1989 ACTUAL	FY 1990 EST	FY 1991 EST
Cash balance, start of year	11,120	12,938	14,582
Annual user fees	3,664	3,900	4,860
Interest on earnings	1,010	1,233	1,276
Outlays	(2,856)	(3,489)	(6,047)
Commitments against unexpended balance	(6,068)	(6,958)	(8,282)
Uncommitted balance, end of year	6,870	7,624	6,389



AIRPORT AND AIRWAY TRUST FUND



Airport and Airway Trust Fund

Projected Uncommitted Balances (Dollars in Millions)

	FY 1991 EST	FY 1992 EST	FY 1993 EST	FY 1994 EST	FY 1995 EST
Cash balance, start of year	14,582	14,671	14,705	14,433	13,904
Annual user fees	4,860	5,638	6,091	6,594	7,173
Interest on earnings	1,276	1,189	1,095	999	890
Outlays	(6,047)	(6,792)	(7,458)	(8,121)	(8,596)
Commitments against unexpended balance	(8,282)	(9,588)	(10,345)	(10,398)	(10,378)
Uncommitted balance, end of year	6,389	5,118	4,088	3,507	2,993



AIRPORT AND AIRWAY TRUST FUND

FUNDING HISTORY FY 1982 - FY 1990

TOTAL FAA PROGRAM COSTS:



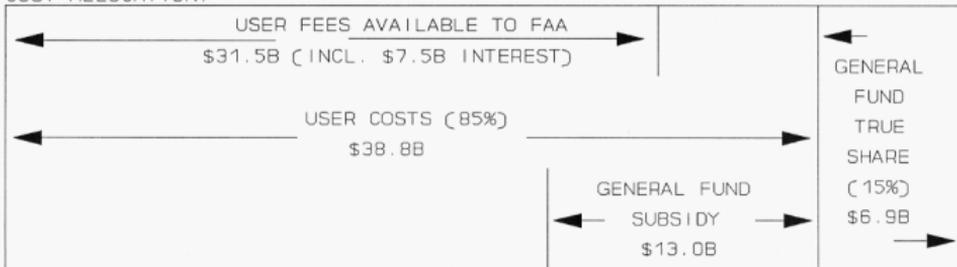
FAA APPROPRIATION SOURCES:



TRUST FUND STATUS:

TRUST FUND APPROPRIATED FOR SUPPORT OF FAA PROGRAMS \$25.8B	TRUST FUND (NOT APPROPRIATED) \$5.7B	TRUST FUND DEFICIT \$7.3B	GENERAL FUND TRUE SHARE \$6.9B
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COST ALLOCATION:





FISCAL YEAR 1990 FUNDING

In FY 1990, Congress assessed the appropriations for most agencies to cover the additional cost of the President's expanded programs to fight the nation's drug problem. FAA's share of the drug program is \$92.3 million. In addition, the provisions of Gramm-Rudman-Hollings were implemented and were in effect for most of the first quarter of the fiscal year. The enactment of the Omnibus Budget Reconciliation Act of 1989 on December 19, 1989 resulted in a final \$29.3 million sequestration for the FAA.

AMOUNTS AVAILABLE IN FY 1990 (Dollars in Thousands)

	<u>FY 1990 Conference</u>	<u>FY 1990 Drug Bill</u>	<u>Final Sequestration</u>	<u>FY 1990 Enacted</u>
Operations				
General	3,025,500	(9,076)	0	3,016,424
Trust	816,500	(2,450)	(6,869)	807,181
Grants-in-Aid to Airports				
Obligation Limitation	1,500,000	(75,000)	0	1,425,000
Facilities and Equipment	1,746,487	(5,239)	(20,077)	1,721,171
Research, Engineering and Development	173,000	(519)	(2,318)	170,163
Total Amounts Available	<u>7,261,487</u>	<u>(92,284)</u>	<u>(29,264)</u>	<u>7,139,939</u>
Contract Authority	1,700,000	(25,000)	(23,800)	1,651,200

