



U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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The Honorable Marion C. Blakey
Administrator
Federal Aviation Administration
800 Independence Avenue, SW Room 1010
Washington, DC 20591

Dear Administrator Blakey:

We write to you regarding the Administration's efforts to transform the National Airspace System (NAS). The House Aviation Subcommittee was scheduled to hold a hearing on *Air Traffic Modernization: Present and Future* on April 26, 2006. Although this hearing was postponed on April 25, 2006, we believe that Congress still has a responsibility to provide vigorous oversight of the Federal Aviation Administration's (FAA) modernization programs. Accordingly, we would like you to respond to our inquiries on two key issues affecting your transformation efforts: funding and the relationship between the Joint Planning and Development Office (JPDO) and the FAA's Air Traffic Organization (ATO).

First, we believe that reduced spending on new air traffic management technologies may undercut efforts to deliver a Next Generation Air Transportation System (NGATS) that will meet anticipated future demands for air travel. While Secretary Mineta has pledged to "... harness technology in a way that triples the capacity of our aviation system over the next 15 to 20 years," we remain concerned that there is a serious disconnect between the rhetoric and the resources being applied to a key issue facing the Nation.

In 2003, the FAA requested and received from Congress a \$3 billion a year authorization for its facilities and equipment (F&E) program — the primary vehicle for modernizing the NAS. Yet, the Administration is proposing to cut the F&E program well below its authorized level for a third straight year to \$2.5 billion for FY2007. In addition, the FAA's capital investment plan (CIP) would freeze investments in new technology at roughly \$2.4 billion for the next 5 years.

Last spring, Administration officials stated that the FAA's share of the multi-agency portfolio of new technologies and programs will be reflected primarily in its CIP, and that estimates of the capital requirements for the NGATS early segments (the next 5 years) would be reflected in the FY2007 CIP. Despite the Administration's stated goal of

technologically transforming the NAS, it is not clear that its budget supports this goal. The Department of Transportation Inspector General (DOT IG) has reported that, “. . . most of the [FAA’s] current \$2.5 billion capital account goes for keeping things running (sustainment), not new initiatives.” In addition, the DOT IG has reported that “although NGATS capital costs are undefined, FAA data suggests that NGATS would require \$3.5 billion between FY 2008 – 2012 over and above the Administration’s current 5-year CIP.”

It is critically important that Congress understand the costs associated with the NGATS, as Congress will soon be asked to consider new proposals to finance the FAA.

Second, we believe that it is particularly important to both ensure the coordination of and to clearly define the roles and responsibilities between JPDO and FAA’s ATO. The JPDO’s planning must build upon the ATO’s existing modernization program, and the ATO’s near-term planning horizon must be aligned with the JPDO’s longer-term mission to transform the NAS. Moreover, the implementation of the air traffic component of the NGATS plan will be financed primarily by the FAA’s capital budget, and the JPDO will clearly need to draw upon the FAA’s expertise to support its mission.

JPDO’s former Director served concurrently as the ATO’s Vice President for Operations Planning, which some believed facilitated coordination between the two organizations. However, it is our understanding that the FAA now plans to establish separate positions for the JPDO Director and ATO Vice President for Operations Planning. Additionally, both the Government Accountability Office (GAO) and DOT IG have noted that the JPDO does not have authority to leverage or to redirect key human and financial resources within the FAA.

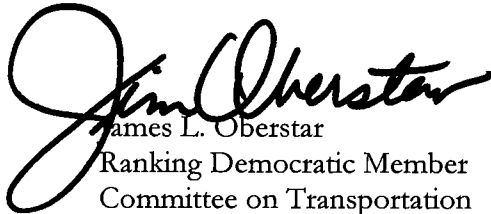
GAO has reported that a memorandum of understanding (MOU) that would define partner agency relationships was being developed as of August 2005, but has not yet been completed. In addition, some have suggested that the relationship between the JPDO and ATO should be formally restructured to promote greater collaboration, such as making the Chief Operating Officer of the ATO the Director of the JPDO or raising the Director of the JPDO to the level of Deputy Administrator within the FAA.

Accordingly, we ask that you provide answers to the following:

- 1) Do the funding levels in the FY2007 CIP reflect the needs of the NGATS goals? If not, when can Congress expect to receive a cost estimate for the NGATS?
- 2) What is the status of the MOU between JPDO and FAA and what issues are expected to be addressed in this MOU? Will the MOU enable the JPDO to sufficiently leverage FAA resources?

- 3) Do you believe the current organizational structure of the JPDO vis-à-vis the ATO provides for adequate collaboration between the JPDO and FAA's ATO? Does the current organizational structure enable JPDO to sufficiently leverage FAA resources? If not, how would you restructure this relationship?

Sincerely,


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Ranking Democratic Member
Committee on Transportation
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Jerry F. Costello
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