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GAO Accountability·Integrity·Reliability

Highlights

Highlights of GAO-08-42, a report to congressional requesters

AIR TRAFFIC CONTROL

FAA Reports Progress in System Acquisitions, but Changes in Performance Measurement Could Improve Usefulness of Information

Why GAO Did This Study

Acquiring new systems on budget and on schedule is critically important in transitioning to the Next Generation Air Transportation System (NextGen). However, air traffic control modernization has been on GAO's high-risk list since 1995, in part due to acquisitions exceeding budget and schedule targets. The Federal Aviation Administration's (FAA) Air Traffic Organization (ATO) has responsibility for managing air traffic control acquisitions. GAO was asked to examine (1) ATO's goals, performance measures, and reporting for systems acquisitions; (2) the validity of ATO's performance measures; and (3) the implications of using ATO's performance measures to assess progress in transitioning to NextGen. To address these issues, GAO compared ATO's measures with attributes of successful performance measures, interviewed agency officials, and sought perspectives of aviation experts.

What GAO Recommends

GAO recommends that FAA establish objective criteria for selecting acquisitions for performance reporting, and improve performance reporting by discussing original budgets and schedules and the implications of acquisition performance on NextGen. FAA officials said they generally concur with our recommendations and offered technical corrections which we incorporated, as appropriate.

To view the full product, including the scope and methodology, click on GAO-08-42. For more information, contact Gerald L. Dillingham, (202) 512-2834, dillinghamg@gao.gov.

What GAO Found

To be consistent with federal guidance and with targets set in the Department of Transportation's strategic plan, ATO established annual acquisition goals and performance measures that call for a high percentage of its major acquisitions to be within 10 percent of budget and on schedule. ATO identifies major acquisitions and reports performance against its goals using its most recently approved budget and schedule estimates. To measure on-budget performance, ATO calculates budget increases over an 8-month period—between January and August of each year. To measure on-schedule performance, ATO selects a minimum of two annual milestones from its major acquisitions and calculates the percentage of milestones that are on schedule.

Because ATO's acquisition performance measures lack objectivity, reliability, coverage of core activities, and clarity, and focus only on the preceding year, they may not provide a valid assessment of performance over time. On the positive side, the measures are aligned with FAA's strategic objectives, are measurable, have no overlap, and address governmentwide priorities. However, the performance measures lack objectivity because ATO has no objective criteria for designating which programs are "major" and should be selected for performance reporting. This makes it possible for subjective considerations to dominate the outcome and leaves the performance measures vulnerable to bias in the selection of programs for reporting. The lack of objective criteria for designating major programs also impairs the reliability of the measures (the ability of the measures to produce the same results each time they are applied under similar conditions) and undermines assurance that ATO managers include all core program activities in performance reporting each year. The performance measures also lack clarity in that they do not indicate that ATO measures the performance of many acquisitions against the most recently approved budget and schedule estimates rather than the original estimates.

ATO's acquisition performance measurement and reporting could mask budget increases and schedule delays that could have a negative effect on the transition to NextGen. Although ATO reported performance that exceeded its goals for fiscal years 2004 through 2006 and showed nearly steady improvement, when measured against original baselines, acquisition performance improved but was lower than reported. Going forward, the absence of original budget and schedule information on ATO's acquisitions could give the impression that the transition to NextGen is progressing more smoothly than might actually be the case. It will be important for ATO and Congress to recognize budget increases and schedule delays so that the capacity, efficiency, and safety benefits of NextGen can be realized in a cost-efficient and timely fashion.