AIR TRAFFIC CONTROL

FAA's Acquisition Management Has Improved, but Policies and Oversight Need Strengthening to Help Ensure Results

Why GAO Did This Study

The Federal Aviation Administration's (FAA) multibillion-dollar effort to modernize the nation's air traffic control (ATC) system has resulted in cost, schedule, and performance shortfalls for over two decades and has been on GAO's list of high-risk federal programs since 1995. According to FAA, performance shortfalls were due, in part, to restrictions imposed by federal acquisition and personnel regulations. In response, Congress granted FAA exemptions in 1995 and directed it to develop a new acquisition management system.

In this report, GAO compared FAA's AMS with (1) the FAR and (2) commercial best practices for major acquisitions, and (3) examined FAA's implementation of AMS and its progress in resolving problems with major acquisitions.

What GAO Recommends

GAO recommends that the Secretary of Transportation advise FAA to, among other things, (1) improve its development of requirements and management of software and (2) more closely align AMS with commercial best practices.

In commenting on a draft of this report, FAA generally agreed with the report's contents and said that our recommendations would be helpful to them as they continue to refine AMS. They also provided us with technical comments, which we have incorporated as appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-05-23.

To view the full product, including the scope and methodology, click on the link above. For more information, contact JayEtta Z. Hecker 512-2834 or heckerj@gao.gov.

What GAO Found

FAA's Acquisition Management System (AMS) is broader and less prescriptive than the Federal Acquisition Regulation (FAR), but both afford managers flexibility. AMS establishes an acquisition life-cycle management system, including both a contracting and program management system, whereas the FAR is primarily a contracting system. In addition, AMS takes the form of guidance—it is not regulatory, while the FAR is a set of published regulations—a legal foundation that has the force and effect of law that most federal agencies are required to follow.
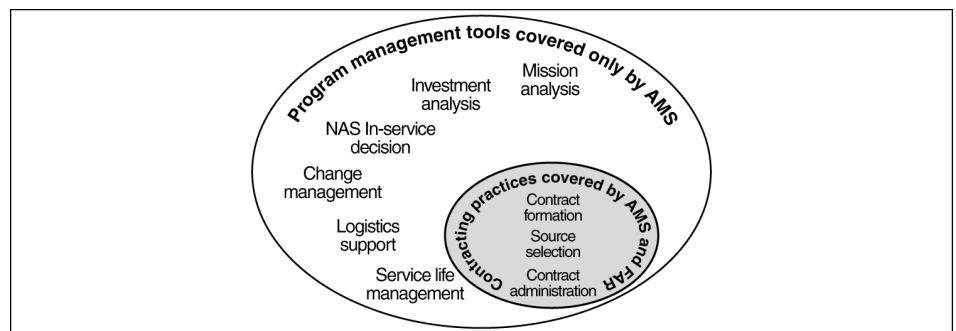
Source: GAO.

AMS provides some discipline for acquiring major ATC systems; however, it does not ensure a knowledge-based approach to acquisition found in the best commercial practices for managing commercial and DOD product developments that we have identified in numerous past reports. Best practices call for (1) use of explicit written criteria to attain specific knowledge at key decision points and (2) use of this knowledge by executives at the corporate level to determine whether a product is ready to move forward. Attainment and use of such knowledge by executives helps to avoid cost, schedule, and performance shortfalls that can occur if they commit to a system design prematurely. While AMS has some good features, including calling for key decision points, it falls short of best practices.

GAO's review of seven major ATC systems and analysis of FAA's performance in acquiring major systems found that AMS has not resolved longstanding problems it experienced prior to its implementation of AMS—including developing requirements and managing software—and is just beginning to focus on how these acquisitions will improve the efficiency of ATC operations. While FAA has made progress by providing guidance for avoiding past weaknesses, it has not applied these improvements consistently. According to FAA officials, reorganization under and improved oversight by FAA's new performance-based Air Traffic Organization should help ensure greater consistency and an increased focus on results. Past GAO reports have demonstrated that the success of an acquisition process depends on good management, whether it be under AMS or the FAR.

United States Government Accountability Office