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FAA Strategic Plan Supplement 2002

FAA Mission: Ensuring Safe, Secure, Efficient Flight
Overview of 2002 Performance Goals and Corporate Projects

FAA's Mission-Driven Strategic Goals

SAFETY	SECURITY	SYSTEM EFFICIENCY
Reduce fatal aviation accident rates by 80 percent in ten years (2007)	Prevent security incidents in the aviation system	Provide an aerospace transportation system that meets the needs of users and is efficient in applying resources
Annual Performance Goals: ? *Reduce the commercial air carrier fatal accident rate by 25% to .038 per 100,000 departures.* ? *Limit the number of fatal general aviation accidents to 379.*		***Annual Performance Goals*** ? *Increase the percent of flights that arrive no more than 15 minutes after the scheduled arrival time at 32 designated airports to 77.2%.* ? *Limit the number of people in the U.S. who are exposed to significant aircraft noise levels to 440,000.*
2002 Corporate Projects ? *Safer Skies – Runway Safety* ? *Safer Skies – Commercial Aviation* ? *Safer Skies – General Aviation* ? *GPS Implementation* ? *Air Transportation Oversight (ATOS)* ? *Aviation Safety Action Program (ASAP)* ? *Space Transportation Safety*	***2002 FAA Corporate Projects*** ? *Transition of Security Functions to TSA* ? *Information Security* ? .	***2002 Corporate Projects*** ? *Develop the Air Traffic Org (ATO)* ? *Implement the Operational Evolution Plan (OEP)* ? *- Free Flight Phases 1 and 2* ? *- National Airspace Redesign* ? *- Improve Weather Information* ? *Standard Terminal Automation Replacement System (STARS)* ? *Revitalize existing structures, technology and operational resources (RESTORE)* ? *En-Route Automation Modernization (ERAM)*

FAA Organizational Excellence Goals

PEOPLE	REFORM	ENVIRONMENT	GLOBAL LEADERSHIP
Prepare the workforce for the demands of the 21st century	Become more businesslike while increasing customer responsiveness ***Annual Performance Goal*** ? *Increase the score received on the American Customer Satisfaction Index (ACSI) survey of U.S. commercial pilots to 60.* ? *Achieve an unqualified audit opinion for FY 2001.*	Maintain number of people exposed to aircraft noise at current levels	Improve safety and security of the international aviation system
2002 Corporate Projects ? *Labor-Mgt. Cooperation* ? *Workforce Planning*	***2002 Corporate Projects*** ? *Compensation Implementation* ? *Clean Audit* ? *Cost Accounting / CPM* ? *Achieve Major Procurement Program Goals*	***2002 Corporate Project*** ? *Airplane Noise*	***2002 Corporate Projects*** ? *See GPS Implementation under Safety*

FAA STRATEGIC PLAN SUPPLEMENT 2002

A Performance Supplement to the FAA Strategic Plan

OVERVIEW

The Federal Aviation Administration (FAA) Mission

FAA provides a safe, secure, and efficient global aerospace system That contributes to national security and the promotion of U.S. aerospace safety.

As the leading authority in the international aerospace community, FAA is responsive to the dynamic nature of customer needs, Economic conditions, and environmental concerns.

The *FAA Strategic Plan* guides FAA activities for the next 5 to 20 years. It sets three **mission goals** for the aerospace system: Safety, Security, and System Efficiency. Each goal has long range objectives and key strategies. In addition, the Strategic Plan sets **Organizational Excellence goals** that will enable FAA to achieve its mission. These goals address *People* (Model Work Environment), *Reform*, *Environment*, and *Global Leadership*.

The *Department of Transportation (DOT) Performance Plan*, submitted with the budget, details Annual Performance Goals in support of the DOT and FAA Strategic Plans. It also reports on achievement of past Performance Goals. FAA adds to the DOT goals a number of supplementary goals.

This *FAA Strategic Plan Supplement* describes the ongoing activities and Corporate Projects that will achieve the Strategic and Performance Plan goals and strategies. It describes how some $13 billion will be spent in FY 2002 to improve aerospace safety, security, and efficiency. "The Plan in Brief" on the next 4 pages summarizes FAA's priorities for FY 2002. These are the performance goals and corporate project accomplishments FAA proposes to achieve this year.

The more detailed portion of this annual Strategic Plan Supplement is organized by FAA Strategic Plan goal. For each strategic goal, the plan describes performance goals and discusses FAA progress in achieving those goals. Each supporting Corporate Project is described in detail, including the project's final product, its value (return on investment), and key proposed FY 2002 accomplishments.

The purpose of this Strategic Plan Supplement is to bring together FAA's strategic goals and strategies, annual performance goals, and the actions -- ongoing activities and corporate projects for change -- that FAA will take to achieve its goals. Through it, FAA corporately describes a focused set of initiatives that will provide clear benefits to aerospace. It lays the groundwork for FAA to monitor and ensure successful completion of those initiatives.

THE PLAN IN BRIEF: FAA PRIORITIES FOR FY 2002

As public officers, FAA's employees and managers are charged to help build a government that is citizen centered, results oriented and market based. This overview specifies key achievements FAA will make in FY 2002 within the framework established by the Secretary's and the President's priorities. The remainder of the plan will expand on the commitments made here.

By delegation of the Secretary, FAA is responsible for the following:

- Ensuring the safety of air and commercial space flight;
- Ensuring the security of aerospace and transferring this function to the new Transportation Security Administration; and
- Building, maintaining, and operating an air traffic management system and improving the efficiency of aerospace transportation in serving the needs of America's passengers and shippers.

In carrying out these responsibilities, FAA will work with the aerospace community and others to provide oversight and support for a safe, secure, efficient aerospace system that is an integral component of the transportation system of the United States of America.

EXPECTED RESULTS FOR FY 2002

In support of the Strategic Plan's goals, FAA plans to achieve the following in FY 2002:

MISSION GOAL: SAFETY

GPRA PERFORMANCE GOAL: Reduce the commercial air carrier fatal accident rate by 25 percent to .038 per 100,000 departures.

GPRA PERFORMANCE GOAL: Limit the number of fatal general aviation accidents to 379.

Supplemental measure *(and Air Traffic Organization [ATO] measure)*: Reduce the number and rate of operational errors where less than 80 percent of the required separation was maintained to no more than 568 or 4.0 per million activities.

Supplemental measure *(and ATO measure)*: Reduce the number and rate of Category A & B runway incursions to no more than 53 (0.084 incursions per 100,000 operations).

Safer Skies -- Runway Safety.

- Airport Movement Area Safety System (AMASS): Continue operational readiness demonstrations (ORDs) and commissionings, retrofits and reoptimizations, and HF phase III efforts.

Safer Skies -- Commercial Aviation

- Publish Final Rule Airworthiness Directives that adopt enhanced inspections for low pressure turbine (LPT) and compressor parts for existing fleets.

Safer Skies -- General Aviation

- Publish a new advisory circular, controlled flight into terrain (CFIT) Awareness.
- Develop a personal minimums checklist involving weather scenarios/operations.

- Issue Aeronautical Information Manual (AIM) and guidance for pilots in the use of advanced weather products.
- Develop report recommending interventions to improve aeronautical decisionmaking and assess their effectiveness.

Global Positioning System (GPS) Implementation

- Develop 10-year radio navigation architecture.
- Update Wide Area Augmentation System (WAAS) Minimum Operating Performance Standards (MOPS) (RTCA/DO-229).
- Award a production contract for Federal CAT I Local Area Augmentation System (LAAS) system to be installed at selected airports.
- Update GPS L5 implementation plan to address issues requiring resolution at the next World Radionavigation Conference (WRC-2003).
- Complete testing of spectrum impact between distance measuring equipment (DME) and GPS L5 signals.

Air Transportation Oversight System (ATOS)

- Complete system safety and risk management training of all ATOS assigned field inspectors.
- Implement ATOS Modules 7 and 8 including associated tools

Aviation Safety Action Program (ASAP)

- Publish a revision to the ASAP advisory circular designed to enhance the safety effectiveness of the program and to encourage wider industry participation in it.

Space Transportation Safety

- Prevent fatalities or injuries to the public in the event of a FAA licensed commercial launch or reentry operation or site activity.
- Publish Advisory Circular on Reusable Launch Vehicle (RLV) Flight Testing.
- Publish the FAA and Industry Guide to reusable launch vehicle (RLV) Operations Safety Approval.
- Complete, in partnership with the Air Force, amendments to Air Force Space Command Instructions 10-1211 and 10-1215.
- Finalize a Memorandum of Agreement with Kennedy Space Center on Spaceport Technology Research.
- Develop an Information Needs Document that defines roles and responsibilities and information needs based on near term space transportation operational scenarios.

MISSION GOAL: SECURITY

Transition of Security Functions to TSA

- Provide a smooth transition of FAA civil aviation security functions to the Transportation Security Administration (TSA) and strong linkage between FAA and TSA.

Information Security

- The FAA will continue to work information systems security, ensuring that the air traffic control and other information systems of the FAA are protected from unauthorized intrusion.

MISSION GOAL: SYSTEM EFFICIENCY

GPRA PERFORMANCE GOAL** (Also ATO measure)**: Increase the percentage of flights that arrive no later than 15 minutes after the scheduled arrival time at the 32 designated airports to 77.2 percent.

GPRA PERFORMANCE GOAL: Limit the number of people in the U.S. who are exposed to significant aircraft noise levels to 440,000.

Supplemental measure *(Also ATO measure)*: Maintain an average daily airport arrival capacity rate of 46,600 at the 32 DOT airports.

Supplemental measure *(Also ATO measure)*: Achieve an airport arrival efficiency rate of 95.25 percent at the 32 DOT airports.

ATO "Tier 2" Performance Metrics:

- Delays Due to Outages - Reduce the equipment-related delay rate by 40 percent from the 1998-2001 baseline of 3.66 delays per 100,000 activities to 2.2.
- Total System Availability - Sustain the FY 1994-1998 5 year average composite operational availability of 99.12 percent for reportable facilities required to deliver automation, communication, navigation/landing, surveillance, and weather capabilities.

Develop the Air Traffic Organization (ATO)

- Establish an ATO guided by agreed-upon performance metrics (* above and under Safety) that support FAA's strategic and performance goals.

Implement the Operational Evolution Plan (OEP). The OEP now combines all or part of a number of former Corporate Projects, including ***Free Flight Phases 1 and 2***, ***National Airspace Redesign***, and ***Improve Aviation Weather for the NAS***. Key FY02 accomplishments from the OEP "Top-10" list are:

- Deploy the User Request Evaluation Tool (URET) and Precision Runway Monitor (PRM) to additional sites.
- Conduct Spring 2002 collaborative decision making (CDM) operations.
- Initiate Controller Pilot Data Link Communications (CPDLC) trials in Miami.
- Complete the Choke Point air traffic sector additions/modifications.
- Establish area navigation (RNAV) routings to optimize new runway construction and better utilize en route airspace.
- Deliver 26 Weather System Processors by September 2002.
- Integrated Terminal Weather System (ITWS): Reach In-Service Decision (ISD) for Atlanta by Sept. 2002.

Standard Terminal Automation Replacement System (STARS)

- Complete FAA full STARS software development.

Revitalize Exist Structures, Technology, & Operating Resources (RESTORE)

En Route Automation Modernization (ERAM)

- ERAM Phase 2 Risk Mitigation contracts will be awarded by July 2002.

ORGANIZATIONAL EXCELLENCE: PEOPLE AND REFORM

ORGANIZATIONAL EXCELLENCE GOAL: Increase the score received on the American Customer Satisfaction Index (ACSI) survey of U.S. commercial pilots to at least 60.

ORGANIZATIONAL EXCELLENCE GOAL: Achieve an unqualified opinion on FAA's financial statements for FY 2001.

Labor-Management Cooperation
- Implement the FY02 actions in the National Labor-Management Council (NLMC) Model Work Environment Implementation Plan.
- Continue union involvement in implementation of NAS modernization projects in terminals and centers.

Workforce Planning
- Complete development and coordination of workforce plans for identified mission-critical and staff occupations.
- Implement management workforce planning processes.
- Corporate Human Resource Information System (CHRIS): Complete system design.

Compensation Implementation
- Identify and implement any modifications necessary to Core Plan.
- Implement pay plans resulting from union negotiations.

Clean Audit
- Implement document imaging in the centers and remaining regions.

Cost Accounting/CPM:
- Implement Cost Accounting in ACS, AST, AOZ, AMA, AML, AVN and Labor Distribution Reporting in ATS, ARA, ARP, AVR, ACS, AST, AOZ, AMA, AML by 9/30/02.

Achieve Major Procurement Program Goals (MPPG).

HUMAN AND NATURAL ENVIRONMENT

See GPRA Performance Goal on Noise under System Efficiency.

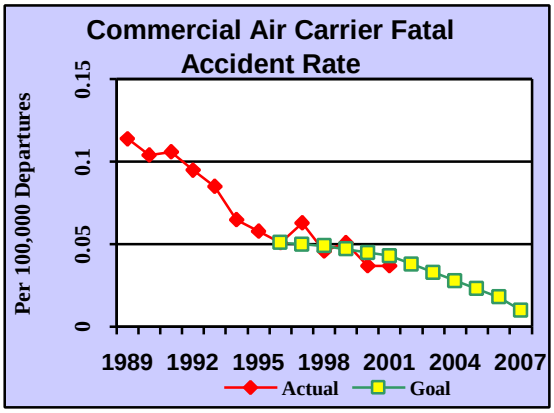
Airplane Noise
- Lead the ongoing activity in ICAO`s Committee on Aviation Environmental Protection (CAEP) to develop the next generation international noise certification standards for subsonic jet and large propeller transport airplanes to replace the current Stage 3 standards; Develop the U.S. strategy for the next generation noise standard.

Mission Goal: SAFETY: By 2007, reduce U.S. aviation fatal accident rates by 80 percent from 1996 levels.

OVERVIEW. Aerospace safety is FAA's primary goal, addressed through strategic and annual performance goals, strategies, and corporate projects. These are in addition to FAA's ongoing safety activities -- certification of aircraft, for example. The sections that follow describe in detail FAA's safety performance goals and corporate projects.

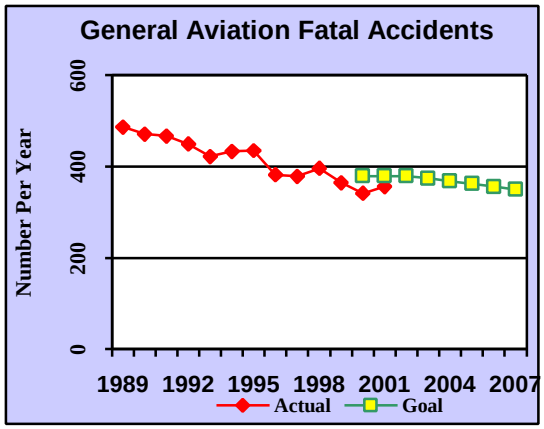
FY 2002 GPRA PERFORMANCE GOALS:

GPRA PERFORMANCE GOAL: Reduce the commercial air carrier fatal accident rate by 25 percent to .038 per 100,000 departures.



FY 2001 Results: The FY 2001 air carrier fatal accident rate was .037 per 100,000 flight hours, better than the .043 goal. There were two fatal accidents in 11 million departures, each with 1 fatality. To improve safety, FAA issued Advisory Circulars and undertook new education and training to reduce uncontained engine failure and improve safety on runways and during approach and landing. In response to FAA requirements, airlines installed fire detection and suppression systems in cargo compartments of some 3,000 aircraft. Beginning April 12, FAA required all U.S. airlines to carry emergency medical kits and automated external defibrillators. FAA has signed a Memorandum of Understanding with the Air Force on commercial space transportation safety responsibilities, and finalized a space transportation vehicle safety approval process.

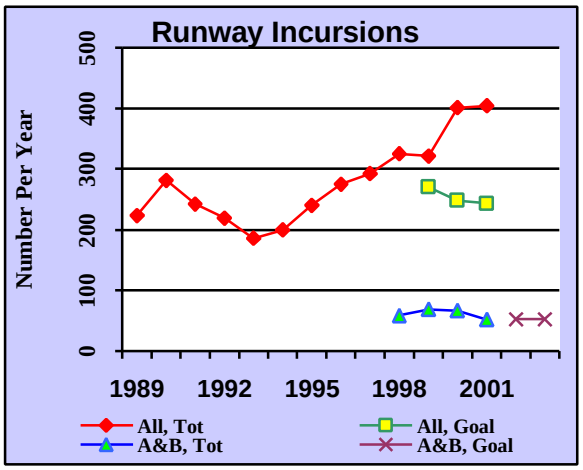
GPRA PERFORMANCE GOAL: Limit the number of fatal general aviation accidents to 379.



FY 2001 Results: The number of fatal general aviation accidents in FY 2001, at 356, was lower (better) than the performance goal of 379. FAA Aviation Safety Program (ASP) interventions include an educational campaign on seat belts/ shoulder harnesses in GA aircraft. In the past five years, the Air Safety Foundation has provided information at 1,200 safety seminars and its web site. It has given hundreds of thousands of safety advisories on weather and decisionmaking. FAA Advisory Circular 23.1309-C, *Equipment, Systems, and Installations in Part 23 Airplanes,* and 23.1311-1A, *Installation*

of Electronic Display in Part 23 Airplanes allow more realistic reliability standards for general aviation airplanes and new, less expensive avionics to reduce "loss of situational awareness" and weather accidents. FAA signed agreements with contractors for Flight Information Services Data Link systems to enable pilots to receive text, graphical weather, and other information in the cockpit display. This unique government/industry partnership will improve pilot information, enhancing flight safety.

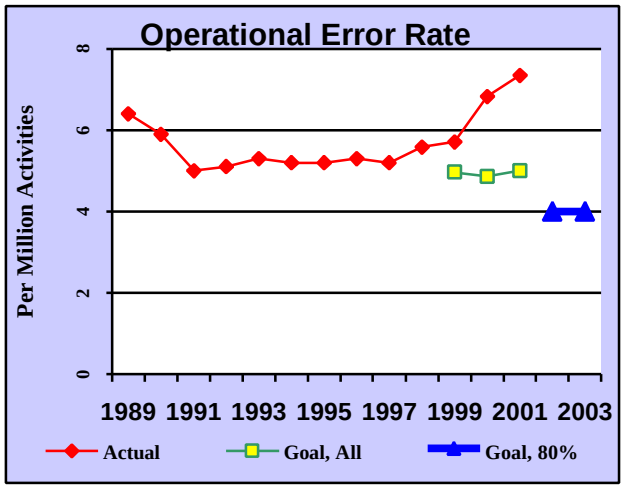
Supplemental Goal: Runway Incursions. ***Reduce the number and rate of Category A & B runway incursions to no more than 53 (0.084 incursions per 100,000 operations).*** A runway incursion occurs when an aircraft, ground vehicle or object creates a collision hazard or results in a loss of separation with an aircraft taking off, intending to take off, landing, or intending to land. Category A & B incursions are the most serious.



Results: Though total incursions rose slightly and missed the FY 2001 goal, the A&B incursions declined in FY 2001.

The issue of runway incursions is complex and involves performance and human factor issues associated with pilots, controllers, and vehicle operators. The 3 main causes of runway incursions are pilot/controller communications, lack of familiarity with an airport, and lack of situational awareness.

Supplemental Goal: Operational Error Rate. ***Reduce the number and rate of operational errors where less than 80 percent of the required separation was maintained to no more than 568 or 4.0 per million activities.*** "Separation" means maintaining a safe distance from other aircraft, terrain, obstructions, and certain airspace not designated for routine air travel. The goal was changed from all operational errors in FY 2001 to errors with less than 80 percent separation in FY 2002.



Results: In FY 2001, there were 7.35 operational errors per million facility activities, missing the goal of 5. Rates have increased since FY 1997. Top causal factors are failure to project future status of displayed data, maintain awareness of displayed data, and detect displayed data. In FY 2002, the goal was recast to reflect the most serious operational errors. Data is not yet available on previous year performance at 80 percent separation.

CORPORATE PROJECTS

1. Safer Skies -- Runway Safety. (ATS lead; ARA, AVR, ARP, ASY)
In partnership with industry, Safer Skies uses the latest technology to analyze U.S. and global data to find the primary causes of accidents and determine actions to break the chain of events that leads to accidents. The Runway Safety Program initiates, promotes, and manages initiatives that prevent incidents and accidents from runway incursions. The Runway Safety Program has the following key components: Runway Safety Program Initiatives, Airport Surface Detection Equipment -- Model X (ASDE-X), and Airport Movement Area Safety System (AMASS).

Directly Supports Supplemental Goal: Reduce Runway Incursions. It also supports Reduce Air Carrier Fatal Accident Rate, Reduce General Aviation Accidents.

Final Product (FY 2006 and Ongoing): Implementation of initiatives in the 1998 Action Plan and arising out of the Runway Safety Summit, and commissioning of technology projects (AMASS, ASDE-3, ASDE-X, ATGS, RFID, ADS-B).

Value (Return On Investment): The Runway Safety Program combines human factors and technology to reduce runway incursions. FAA and the aerospace community are implementing activities that strengthen training, education, and awareness. FAA is also implementing technologies, including ASDE-X and AMASS, to provide controllers tools for better surveillance of the airport surface, especially during adverse weather. Training, education, and awareness initiatives and better surveillance technologies, provide the best opportunity to reduce the number of runway incursions and surface incidents, which remain at our highest priority. Benefits begin now and should be realized by FY 2006.

Key Proposed Accomplishments, FY 2002: Airport Movement Area Safety System (AMASS): Continue operational readiness demonstrations (ORDs) and commissionings, retrofits and reoptimizations, and human factors (HF) phase III efforts.

2. Safer Skies—Commercial Aviation. (AVR; AGC, API, ARA, ASY, ATS)
The FAA has adopted a focused priority safety agenda designed to bring about a five-fold reduction in fatal accidents in part through comprehensive review of commercial aviation accident causes. In partnership with industry, Safer Skies uses the latest technology to help analyze U.S. and global data to find the primary causes of accidents and determine the best actions to break the chain of events that lead to accidents. Key components are Controlled Flight into Terrain (CFIT), Uncontained Engine Failure, Approach and Landing, Loss of Control, and Weather.

Directly Supports Performance Goal: Air Carrier Fatal Accident Rate

Final Product (FY 2007 and ongoing): Successfully implemented interventions, developed from analysis of the recurrent causes of fatal commercial aviation accidents, that greatly reduce or eliminate accidents from those causes. Since those interventions will be based on analysis that in some cases has not yet been fully carried out, many interventions cannot yet be specified.

Value (Return On Investment): Great reduction or elimination of recurrent causes of commercial aviation fatal accidents in the 5 identified areas. Achieve the strategic goal of an 80 percent reduction in air carrier fatal accidents by 2007.

Key Proposed Accomplishment, FY 2002: Publish Final Rule Airworthiness Directives that adopt enhanced inspections for low pressure turbine (LPT) and compressor parts for existing fleets.

3. Safer Skies—General Aviation. (AVR; AGC, ARA, ASY, ATS, API).
The FAA has adopted a focused priority safety agenda to reduce fatal accidents, based in part upon a comprehensive review of the causes of general aviation accidents. In partnership with industry, Safer Skies uses the latest technology to help analyze U.S. data to find the primary causes of accidents and determine the best actions to break the chain of events leading to accidents. Key components for general aviation are Controlled Flight into Terrain (CFIT), Weather; Aeronautical Decisionmaking, and the System Safety Approach for General Aviation (SAGA).

Directly Supports Performance Goal: Reduce general aviation fatal accidents

Final Product (FY 2007 and Ongoing): A series of interventions, developed from analysis of recurrent causes of fatal general aviation accidents, that reduce or eliminate accidents from those causes. Since those interventions will be based on analysis not yet been fully carried out, most interventions cannot yet be specified.

Value (Return On Investment): Reduction or elimination of recurrent causes of general aviation fatal accidents in the component areas now identified.

Key Proposed Accomplishments, FY 2002:
- Publish a new advisory circular, controlled flight into terrain (CFIT) Awareness.
- Develop a personal minimums checklist involving weather scenarios/operations.
- Issue Aeronautical Information Manual (AIM) and guidance for pilots in the use of advanced weather products.
- Develop report recommending interventions to improve aeronautical decisionmaking and assess their effectiveness.

4. GPS Implementation: Expand GPS Use. (AVR; ARA, ATS, ARP, API)
The goal of this project is to promote the accuracy, availability, and reliability of the Global Positioning System (GPS) for domestic and worldwide flight as a component of the worldwide Global Navigation Satellite System. Key components are the Wide Area Augmentation System (WAAS), the Local Area Augmentation System (LAAS), and to Develop the Second Civil Aviation GPS Signal – Frequency Spectrum Requirements

Directly Supports Performance Goal: Air Carrier Fatal Accident Rate. Also supports Reduced General Aviation Fatal Accidents, Runway Incursions and Operational Errors.

Final Product (FY 2007 and Ongoing): 1) A GPS-based system that provides en route navigation and near-precision landing for aircraft worldwide; 2) Preservation and use of the radio frequencies needed to provide GPS-based navigation and landing; and 3) Two systems, the satellite-based Wide Area Augmentation System (WAAS) and the ground-based Local Area Augmentation System (LAAS), that will provide precision landing capabilities at specified airports in the U.S. and throughout the world.

Value (Return On Investment): One goal is worldwide, near-universal use of GPS/GNSS as the primary means for en route navigation. Another is widespread use, especially in the U.S., for near-precision and precision approach and landing. GPS is already allowing greatly expanded capacity over oceans and other areas not served by ground-based navigation systems. Achieving this result will allow FAA to retire (decommission) existing, obsolescent/obsolete, expensive navigation and landing aids. It will allow instrument landing at many more airports than today at low cost. It will allow cost savings from simplified cockpit avionics for commercial and general aviation aircraft.

Key Proposed Accomplishments, FY 2002:
- Develop 10-year radio navigation architecture.
- Update Wide Area Augmentation System (WAAS) Minimum Operating Performance Standards (MOPS) (RTCA/DO-229).
- Award a production contract for Federal CAT I Local Area Augmentation System (LAAS) system to be installed at selected airports.
- Update GPS L5 implementation plan to address issues requiring resolution at the next World Radionavigation Conference (WRC-2003).
- Complete testing of spectrum impact between distance measuring equipment (DME) and GPS L5 signals.

5. Air Transportation Oversight System (ATOS). (AVR; ASY, AGC)

ATOS is a systems approach to safety oversight of air transport operators. It includes establishing policies and ensuring compliance during and after certification. It incorporates a team approach to certification and establishing surveillance programs. It targets resources based on several factors, including operator experience, statistical analysis to identify trends, company growth, etc.

Directly Supports Performance Goal: Reduce Air Carrier Fatal Accident Rate

Final Product or Desired End State (FY 2005 and Ongoing): Better-targeted FAA certification and surveillance efforts based on factors including operator experience, statistical analysis to identify trends, and company growth.

Value (Return On Investment): Fivefold reduction in fatal accidents by integrating proactive system safety and risk management-based oversight for Part 121 carriers.

Key Proposed Accomplishments, FY 2002:
- Complete system safety and risk management training of all ATOS assigned field inspectors.
- Implement ATOS Modules 7 and 8 including associated tools

6. Aviation Safety Action Program (ASAP). (AVR; AGC)

ASAP is a joint FAA/industry program to generate safety information that may not be otherwise obtainable and use it to work as a team to correct safety-related issues before a potential disaster occurs.

Directly Supports Performance Goal: Reduce Air Carrier Fatal Accident Rate

Final Desired End State (Ongoing): Having all 14 CFR part 121 major air carrier and part 145 repair station certificate holders who perform maintenance for major air carriers participating in ASAP so that safety-related data collected from the FAA and aviation industry can be analyzed to find the primary causes of accidents and determine the best actions to break the chain of events that lead to accidents.

Value (Return On Investment): ASAP will allow employees of operators participating in an FAA-approved ASAP program to report safety-related issues without fear of punitive legal action by FAA. This will enable FAA and industry to work as a team to correct safety-related issues before a potential disaster occurs. The industry employees will supply data through this enforcement incentive program that would allow FAA and the industry to analyze safety-related trends and enable corrective actions to be taken.

Key Proposed Accomplishments, FY 2002: Publish a revision to the ASAP advisory circular designed to enhance the safety effectiveness of the program and to encourage wider industry participation in it.

7. Space Transportation Safety. (AST; AVR, ASY, AGC, ARP)

Space Transportation Safety includes the safety of vehicles, the safety of launch and reentry sites, infrastructure, and ranges, and the safe integration of the commercial space transportation and aviation components of an efficient aerospace system. FAA`s role is to oversee and coordinate the aerospace community in achieving these outcomes.

Final Product (FY 2008): Issued international industry standards for space transportation vehicle manufacturing and performance. Published regulations and guidance on medical qualifications for passengers and crew aboard commercial space vehicles.

Value (Return On Investment): The primary value is the increment in safety (decreased fatalities, serious injuries, and significant property damage), compared with what would otherwise have occurred. The secondary value is the improvement in the international competitiveness of the U.S. commercial space transportation industry.

Key Proposed Accomplishments, FY 2002:

- Prevent fatalities or injuries to the public in the event of a FAA licensed commercial launch or reentry operation or site activity.
- Publish Advisory Circular on Reusable Launch Vehicle (RLV) Flight Testing.
- Publish the FAA and Industry Guide to reusable launch vehicle (RLV) Operations Safety Approval.
- Complete, in partnership with the Air Force, amendments to Air Force Space Command Instructions 10-1211 and 10-1215.
- Finalize a Memorandum of Agreement with Kennedy Space Center on Spaceport Technology Research.
- Develop an Information Needs Document that defines roles and responsibilities and information needs based on near term space transportation operational scenarios.

Mission Goal: SECURITY
Prevent security incidents in the aviation system.

OVERVIEW: The September 11th Attack on America exposed gaps in national security, and an aviation system not designed to meet that unprecedented threat. FAA employees performed admirably in response to the attack. When the Secretary ordered the system closed down, FAA controllers landed 2,800 aircraft safely within 54 minutes. FAA employees rapidly implemented new security requirements and helped bring aircraft and airports back on line quickly and efficiently. FAA employees served on 2 secretarial Rapid Response Teams, where key aviation and FAA executives made recommendations on October 1 on aircraft and airport security. Once airplanes began flying again, when private war risk insurance was canceled on 7 day's notice, FAA employees basically re-insured the airline industry over a weekend and kept the airplanes flying.

September 11 changed forever the way security will be provided for people who fly or ship. The key change for this plan is that Congress transferred FAA's security function to the new Transportation Security Administration (TSA).

Security remains a critical FAA strategic goal. While the civil aviation security function, budgeted at approximately $400 million in FY 2002 (all appropriations), is being transferred to the TSA, FAA remains a guardian of aerospace security. FAA is assisting TSA in hiring and training air marshals and screening personnel. Some security requirements, particularly for information and facility security, will remain with FAA. FAA may well conduct security-related research, and FAA will need to integrate security concerns into its efforts to improve the safety and efficiency of the aerospace system.

THE FAA CORPORATE SECURITY PROJECTS

In light of September 11 and the Congressional response, FAA now has two main Corporate Security Projects:

1. Transition of Security Functions to TSA. (AOA; ACS, AHR, ABA, AGC, API)
In light of Congress' decision and the need to strengthen security throughout the transportation system, FAA will provide a smooth transition of FAA civil aviation security functions to the Transportation Security Administration (TSA) and establish a strong linkage between FAA and TSA.

Desired End State (FY 2002): The security function is successfully transferred to TSA, strong links are established, and TSA, with FAA's help, is improving aerospace security.

Value (Return On Investment): Increased aerospace security, with better screening by well trained federal employees at airport checkpoints, the presence of armed air marshals on flights, and other improvements in security which will be made by the new Transportation Security Administration.

Key Proposed Accomplishments, FY 2002:
? Formally transfer FAA`s security function to TSA. (2/02)

? Support the smooth transition of human resources in the FAA security organization to the TSA. (9/02)
? Assist the TSA in achieving its hiring goals during transition. (9/02)

2. FAA Information Systems Security Program. (AIO; LOB's, ARC)
FAA Order 1370.82, Information Systems Security Program describes the overall approach for securing the FAA`s information technology infrastructure. Due to events of September 11, the FAA has accelerated the Program in three areas, 1) Hardening of Internet Access Points, 2) Enhancement of the capabilities of the Computer Security Incident Response Center (CSIRC), and 3) Electronic Boundary Protection of mission critical facilities. The four accomplishments below are directly tied to the accelerated program activities.

Desired End State (FY 2003 and Ongoing): Make all FAA information systems infrastructure secure from threats and attacks, both internal and external. FAA will take the best actions to break the chain of events that lead to accidents.

Value (Return On Investment): Beginning FY03, the FAA will have developed a work force that is capable of preventing, detecting, and responding to cyber attacks. As a result of research and development, tools will be in place to defend against cyber attacks.

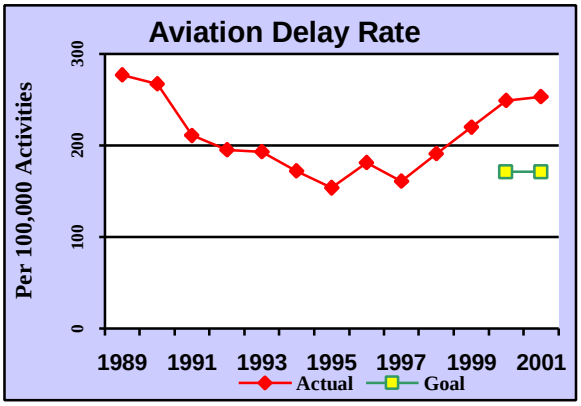
Key Proposed Accomplishments, FY 2002:
? Complete standardization and configuration management at 8 internet access points. (6/02)
? Deploy 40 network intrusion devices. (9/02)
? Complete Integrated Facility Certification at 3 EnRoute Centers. (9/02)
? Complete a threat assessment of the NAS, to include near term recommendations to secure the Air Traffic Control System as well as recommendations for the Integrated Product Teams. (9/02)

Mission Goal: SYSTEM EFFICIENCY
Provide an aerospace transportation system that meets the needs of users and is efficient in the application of FAA and aerospace resources.

OVERVIEW. An efficient aerospace system gets passengers and goods where they need to go quickly, reliably, safely, and at reasonable cost. The system must be accessible, predictable, flexible, and timely, minimizing delays. The sections that follow present FAA Performance Goals and Corporate Projects that support System Efficiency.

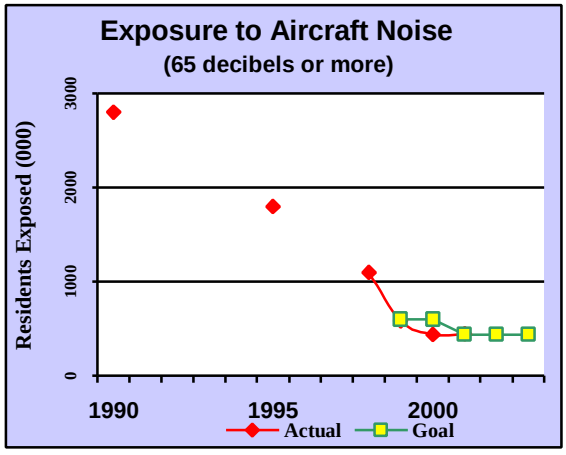
FY 2002 SYSTEM EFFICIENCY PERFORMANCE GOALS

GPRA PERFORMANCE GOAL: Increase the percentage of flights that arrive no later than 15 minutes after the scheduled arrival time at 32 designated airports to 77.2 percent. *Note: The goal was revised from FY 2001, when the goal addressed delays.*



FY 2001 Results: In FY 2001, the goal was to reduce the aviation delay rate to no more than 171 delays per 100,000 activities. Instead, the aviation delay rate increased slightly to 253 from 249 in 2000. Volume and equipment delays went from 36.2 in FY 2000 to 40.2 in FY 2001. The leveling of the delay rate in FY 2001 was due in part to the events of September 11. On-time arrivals through the first half of FY 2002 are above (better than) target levels -- a higher percentage of flights are arriving on time.

GPRA PERFORMANCE GOAL: Limit the number of people in the U.S. who are exposed to significant aircraft noise levels to 440,000.



Results: FAA estimates that in FY 2001, some 446,000 people were exposed to significant aircraft noise, slightly over the 440,000 goal. Nonetheless, the reduction in exposure over the last decade is striking. It resulted from phaseout of older, noisier Stage 2 airplanes. In the future, FAA will report results using a new, more accurate methodology to assess the number of people exposed to significant aircraft noise near airports. FAA and ICAO's Committee on Aviation Environmental Protection (CAEP) developed the model.

Supplemental Goal: Maintain an average daily airport arrival capacity rate of 46,600 at the 32 DOT airports. Improving system efficiency in terminal areas around airports means doing two things, increasing capacity and using available capacity more efficiently to land more airplanes. FAA and the Department of Transportation (DOT) have agreed to focus on 32 major airports around the country. They have agreed on a way to measure average daily arrival capacity that balances the proportion of good weather days, when capacity is higher, against bad weather days when capacity is reduced.

Results: New. In FY 2001, average daily airport arrival capacity was 46,646 aircraft.

Supplemental Goal: Achieve an airport arrival efficiency rate of 95.25 percent at the 32 DOT airports. To measure arrival efficiency, FAA and DOT have agreed on a metric that assesses how well arrival demand is satisfied for a given time period, taking into account the target arrival capacity for the 32 DOT airports in that time period. The metric compares what the airports do to what they could have done. The arrival efficiency score for any time period is considered to be 100 percent when either the target arrival rate is met or all the demand is met, regardless of the target. Arrival efficiency declines when there is unmet demand within the maximum arrival capacity of an airport.

Results: New measure. In FY 2001, the airport arrival efficiency rate was 95.00 percent.

CORPORATE PROJECTS

1. Develop the Air Traffic Organization (ATO). (ADA: ATS, ARA, AOZ)
Establish an Air Traffic Organization (ATO), overseen by a Chief Operating Officer (COO) who will be held accountable for ATO's performance. ATO will consolidate research, development, modernization, operation, and maintenance of the air traffic management system under a single COO. ATO will be a performance-based organization operating within FAA, guided by agreed-upon performance metrics. Those metrics will support FAA`s strategic and performance goals and the needs of the aerospace community for a modern, safe, efficient air traffic management system.

Directly Supports Performance Goal: On-Time Arrival. Also supports Airport Capacity, Airport Efficiency

Desired End State (FY 2003): A single, performance-based ATO responsible for all aspects of air traffic management, and headed by a Chief Operating Officer.

Value (Return On Investment): A performance-based ATO that consolidates air traffic management functions will provide:

- Faster modernization that is more focused on the needs of users.
- More user (especially air traffic controller) involvement in system development.
- Seamless transition from development to deployment and operation, with controllers ready and willing to use new systems when they become available.
- Safer, more efficient air traffic control that provides more route flexibility to pilots.
- More airspace system capacity.
- More on-time arrivals.

Key Proposed Accomplishments, FY 2002:

- Establish an ATO guided by agreed-upon performance metrics that support FAA's strategic and performance goals.

2. Implement the Operational Evolution Plan (OEP). (ADA; ATS, ARA, AOZ)
The OEP is the FAA's commitment to meet the air transportation needs of the United States for the next ten years by increasing capacity and decreasing delays, while continuing to improve safety and security. The OEP contains some 150 projects. It started as a business planning activity that accelerated during the summer delays and cancellations of August 2000. The OEP, developed in concert with the entire aviation community, addresses four core problem areas, or quadrants: Arrival/Departure Rates, En-Route Congestion, Airport Weather Conditions, and En Route Severe Weather. Former Corporate Projects Free Flight, National Airspace Redesign, and Improve Aviation Weather for the NAS are now incorporated in the OEP.

Directly Supports Performance Goal: On-Time Arrival. Also supports: Airport Capacity, Airport Efficiency.

Final Products (2010): A host of improvements, including new runways, routes, rules, procedures, and technologies, that add capacity, manage congestion, accommodate user preferred routings, and allow more effective response to hazardous weather.

Value (Return On Investment): Implementing the OEP should make major improvements in capacity and efficiency. Given projected growth in demand over the next 10 years, enhancements in the Arrival/Departure quadrant could contribute nearly two thirds of anticipated OEP-based improvements in throughput. On En Route Congestion, a comparison of summer 2000 and summer 2001 data, after removing the effects of differences in weather, showed that 2001 had 10 percent better performance. The goal for Airport Weather-related changes is to improve performance by as much as 25 percent over today's numbers. On En Route Weather, studies show that up to 40 percent of delays due to forecast weather are recoverable. The goal of the solution sets in the OEP is to reduce delays about 8 percent from year 2000 levels during the severe weather season.

Key Proposed Accomplishments, FY 2002:

- Deploy the User Request Evaluation Tool (URET) and Precision Runway Monitor (PRM) to additional sites.
- Conduct Spring 2002 collaborative decision making (CDM) operations.
- Initiate Controller Pilot Data Link Communications (CPDLC) trials in Miami.
- Complete the Choke Point air traffic sector additions/modifications.
- Establish area navigation (RNAV) routings to optimize new runway construction and better utilize en route airspace.
- Deliver 26 Weather System Processors by September 2002.
- Integrated Terminal Weather System (ITWS): Reach In-Service Decision (ISD) for Atlanta by Sept. 2002.

3. Standard Terminal Automation Replacement System (STARS). (ATS; ARA)
Some automation equipment and display systems currently used in terminal areas are increasingly difficult to keep operational. A shortage of display equipment precludes expansion capabilities. Logistical support is increasingly difficult. The new STARS will replace the Automated Radar Terminal System (ARTS) in many terminal control areas and new displays will replace equipment used in FAA Terminal Radar Approach Controls (TRACONs), DoD Radar Approach Controls (RAPCONs), and associated towers.

Directly Supports Performance Goal: On-Time Arrival. Also supports: Airport Capacity, Airport Efficiency

Final Product (FY 2008): STARS systems in 172 FAA TRACONs, up to 199 DoD RAPCONs, and their towers give air traffic controllers modern workstation computers and new 20-by-20 inch full color displays specially developed for air traffic control.

Value (Return On Investment): Better service, reliability, and safety with lower operating and maintenance costs.

Proposed Accomplishment, FY 2002: Complete FAA full STARS software development.

4. Revitalize Existing Structures, Technology, and Operational Resources (RESTORE). (ATS) RESTORE supports maintaining the physical infrastructure of FAA unmanned Remote Communications Air/ground (RCAG) facilities and Very High Omnidirectional (VOR's), and Long Range Radars. This includes roofs, air conditioners, doors, floors, and siding construction and maintenance of sheds and towers, erosion control, road maintenance, airport cabling, etc., for the FAA's 5000 plus unmanned buildings and nearly 9,000 structural towers (Radar, Communications, and Navigation).

Directly Supports Performance Goal: On-Time Arrival. Also supports: Airport Capacity, Airport Efficiency

Final Product (Ongoing): Unstaffed facilities would be made structurally sound, maintained on a regular schedule, and meet current OSHA standards.

Value (Return On Investment): Adequate maintenance will extend the life of the facilities, delay replacement, and reduce costs in the long run.

Key Proposed Accomplishments, FY 2002: Replace 5 shelters, install 4 engine generators, completely upgrade 5 unstaffed facilities.

5. En Route Automation Modernization (ERAM). (ATS: ARA)
ERAM will replace the legacy software and interfaces which make up the flight data processing (FDP) and radar/surveillance data processing (SDP) components of the current NAS Host software. ERAM will remove Host software components not crucial to air traffic (e.g. training, general information messaging, weather data messaging, enhanced traffic management system messaging, and other administrative functions) so they are operationally separate and managed apart from the critical software used for air traffic.

Directly Supports Performance Goal: On-Time Arrival. Also supports: Airport Capacity, Airport Efficiency

Final Product or Desired End State (FY 2004): ERAM will be deployed to each En Route ARTCC, and existing Host software will be decommissioned. ERAM may also complement modernization at Anchorage, Oakland and New York (Oceanic facilities).

Value (Return On Investment): ERAM success is measured in the reliability and stability of the Host software, and those operational tools and systems that provide flight data and surveillance tracks used in NAS. As ERAM is deployed, Host software outages should decrease, and the time required (investment JRC-2 to deployment ORD) for NAS to accept CAS tools and other air traffic tools developed for the FAA should decrease.

Key Proposed Accomplishments, FY 2002:

- ERAM Phase 2 Risk Mitigation contracts will be awarded by July 2002.

ORGANIZATIONAL EXCELLENCE GOALS

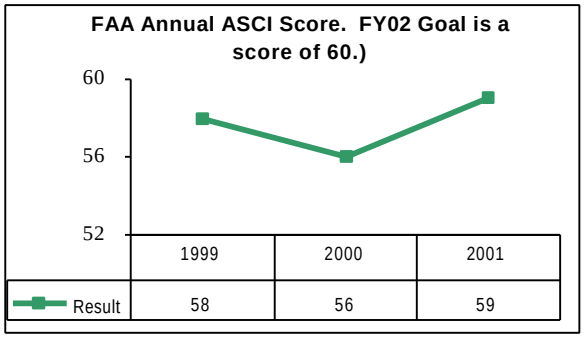
PEOPLE: The Foundation of Accomplishment
REFORM: The Framework for Accomplishment
THE ENVIRONMENT: Our Responsibility
GLOBAL LEADERSHIP: Commitment to Worldwide Improvements

OVERVIEW

FAA has set **Organizational Excellence goals** that help achieve the FAA mission and the mission-based goals. FAA cannot foster safe, secure, efficient aerospace without a well-trained, well-managed, diverse work force; reformed personnel, acquisition, and financial systems; environmental sensitivity; and a global leadership perspective.

FY 2002 PERFORMANCE GOALS:

ORGANIZATIONAL EXCELLENCE GOAL: Increase the score received on the American Customer Satisfaction Index (ACSI) survey of U.S. commercial pilots to at least 60.)



FY 2001 Results: In FY 2001, the score received on the third annual ACSI survey of U.S. commercial pilots rose from 56 to 59, up 5.4 percent from FY 2000 and slightly above the FY 1999 result. That result is within striking distance of the FY 2002 goal of 60.

ORGANIZATIONAL EXCELLENCE GOAL: Achieve an unqualified opinion on FAA's financial statements for FY 2001.

FY 2001 Results: FAA received an unqualified audit opinion on its books for FY 2001. It had also received an unqualified opinion for FY 1999, but not for FY 2000. Implementation of the new DELPHI financial system, the Cost Accounting System (CAS), and Labor Distribution Reporting (LDR) should make unqualified audit opinions easier to obtain in FY 2002 and beyond.

CORPORATE PROJECTS

1. Labor-Management Cooperation. (AHR; ARA, ARP, AST, ATS, AVR, ABA, ACS, ACR, AGC, APA, API, ARC, ASY) Active union and employee participation and contribution in formulating personnel policies, practices, and condition of employment programs and systems affecting FAA at all levels. Expand labor-management cooperation to identify and mitigate new program and NAS system integration issues. Create in-process reviews that ensure incorporation of union issues, if possible, into final system acceptance. Ensure new programs/systems reflect partnership acceptance and cooperation.

Supports Performance Goal: American Customer Satisfaction Index (ACSI) score. Better service, for example, because union controllers help develop new systems.

Desired End State (Ongoing): New programs and systems reflect union and employee (user) contributions, and are readily accepted at all organizational levels. User acceptance is based on early, collaborative identification and validation of requirements.

Value (Return On Investment): Significant reductions in time and money implementing programs/systems, due to early identification of union and employee requirements. Costly mid-development requirement changes will be avoided.

Key Proposed Accomplishments, FY 2002:

- Implement the FY02 actions in the National Labor-Management Council (NLMC) Model Work Environment Implementation Plan.
- Continue union involvement in implementation of NAS modernization projects in terminals and centers.

2. Workforce Planning and Career Management for the 21st Century. (AHR; ATS, AVR, API) To ensure that emerging workforce requirements are seen and addressed, the FAA is integrating formal workforce planning into its business planning and supporting employee career planning. The first phase is to develop a model to forecast executive resource requirements, identify gaps, implement priority development, and track progress. FAA will then expand its efforts to other occupation segments.

Supports Performance Goal: American Customer Satisfaction Index (ACSI) score.

Final Product or Desired End State (FY 2003/Ongoing): FAA's workforce represents the optimal combination of knowledge, skills, availability, and commitment needed to meet the mission challenges of the 21st century.

Value (Return On Investment): FAA's workforce has the combination of knowledge, skills, availability, and commitment needed to meet the challenges of the 21st century.

Key Proposed Accomplishments, FY 2002:

- Complete development and coordination of workforce plans for identified mission-critical and staff occupations.
- Implement management workforce planning processes.
- Corporate Human Resource Information System (CHRIS): Complete system design.

3. Compensation Implementation. (AHR; All LOB/SOs) Implement performance-based compensation programs to enhance the capacity to recruit, develop, sustain, deploy, and retain the appropriate work force to meet the mission demands of the 21st century.

Supports Performance Goal: American Customer Satisfaction Index (ACSI) score.

Final Products (Ongoing):

- An executive incentive-compensation plan that ties major parts of compensation to individual and organizational performance and mission accomplishment.
- A market-based employee compensation plan that rewards performance contributions that support mission accomplishment, achieving organizational goals, and increased productivity, and that enhances recruitment and retention of top performers.

Value (Return On Investment):

- Mission accomplishment and attainment of agency goals are enhanced by improved performance and productivity of employees, executives, and organizations

- Improved ability to attract and retain the highest performing employees to lead and accomplish FAA mission programs.
- Increase management flexibility and accountability for human resource decisions.

Key Proposed Accomplishments, FY 2002:
- Identify and implement any modifications necessary to Core Plan.
- Implement pay plans resulting from union negotiations.

4. Clean Audit. (ABA; ARA, ATS, ARC) Maintain an unqualified (clean) audit opinion in future years. A key measure of the quality of FAA`s financial management is to gain an unqualified audit opinion on FAA input to the DOT Consolidated Financial Statement and any individual statements for which FAA is responsible.

Directly Supports Performance Goal: Clean Audit.

Final Product or Desired End State (Ongoing): It is required by CFO Act of 1990 that all Federal agencies produce audited financial statements.

Value (Return On Investment): The efforts are centered around maintaining an unqualified opinion and implementing process improvements. Audited financial statements give credibility to the FAA's management of resources.

Key Proposed Accomplishments, FY 2002:
- Implement document imaging in the centers and remaining regions.

5. Cost and Performance Management (C/PM)/Cost Accounting System (CAS). (ABA; ATS, ARA, AIO, ARC) The Cost Accounting System provides financial information to assess operating performance by determining the costs of specific FAA products and services. The newly available cost data will be linked with operational performance information to improve agency decision making on resource allocations.

Supports Performance Goal: American Customer Satisfaction Index (ACSI) score.

Final Product (Ongoing): A cost and performance management system (C/PM) that uses and refines CAS information to improve agency performance.

Value (Return On Investment): This project will enable FAA to 1) know if investments deliver expected outcomes; 2) make informed choices on resource allocations and project baseline changes; 3) set benchmarks and targets to compare cost and performance of products and services; and, 4) develop improved budget estimates based on actual costs.

Key Proposed Accomplishments, FY 2002: Implement Cost Accounting in ACS, AST, AOZ, AMA, AML, AVN and Labor Distribution Reporting in ATS, ARA, ARP, AVR, ACS, AST, AOZ, AMA, AML by 9/30/02.

6. FAA Major Procurement Program Goals (MPPG). ARA: All LOBs.
FAA seeks to achieve annual FAA-wide goals established for FY 2002.

Supports Performance Goal: American Customer Satisfaction Index (ACSI) score.

Final product (ongoing): Contract awards to small, socially and economically disadvantaged, women owned, and service-disabled veteran owned small businesses.

Value (Return on Investment): Achievement of FAA goals and inclusion of the small business community in FAA's acquisition process answers a commitment to Congress.

Proposed Accomplishments, FY 2002: (all 9/02)

Awards To Type of Business:	Prime Contract Level	Subcontract Level
Small Business	25%	45%
Small and Economically Disadvantaged Business	10%	
Small Disadvantaged Business	5%	10%
Women-Owned Business	5%	5%
Service-Disabled Veteran Owned Small Business	1%	1%

7. Airplane Noise. (API/AEE; AVR, AGC, API/APO, OST-P) Lead the ongoing activity in ICAO`s Committee on Aviation Environmental Protection (CAEP) to develop the next generation international noise certification standards for subsonic jet and large propeller transport airplanes to replace the current Stage 3 standards; Develop the U.S. strategy for the next generation noise standard.

Supports Performance Goal: Aircraft Noise (See System Efficiency).

Final Product or Desired End State (FY 2003): Adoption by the International Civil Aviation Organization of a new noise certification standard and transition strategy for subsonic jet and large propeller transport airplanes.

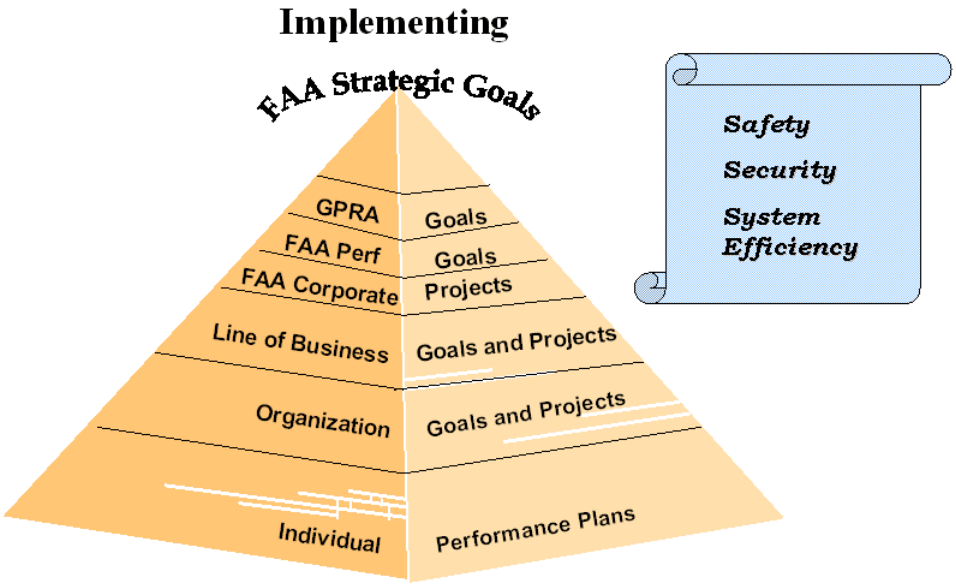
Value (Return On Investment): Reduced noise around airports while providing appropriate economic protection for the existing fleet of Stage 3 aircraft.

Key Proposed Accomplishment, FY 2002:

- Lead the ongoing activity in ICAO`s Committee on Aviation Environmental Protection (CAEP) to develop the next generation international noise certification standards for subsonic jet and large propeller transport airplanes to replace the current Stage 3 standards; Develop the U.S. strategy for the next generation noise standard.

IMPLEMENTING THIS FAA STRATEGIC PLAN SUPPLEMENT

This Strategic Plan Supplement has set down goals and projects to guide FAA efforts in FY 2002. It has also assigned lead and support responsibilities at top levels of FAA. To be implemented, these goals and projects must be "cascaded" down into the FAA organization. Senior FAA managers must provide information and assign tasks and responsibilities until everyone who will be involved in all parts of FAA knows the goals, strategies, and projects, and their own roles and responsibilities in implementation. In short, FAA employees need to know how they fit into the following "pyramid".



Three additional elements are needed to assure implementation: 1) Performance management, 2) Performance review, and 3) Individual and team performance incentives.

Performance Management

In a sense, performance management includes performance review and incentives. Here, however, performance management means developing a structure and process that lets FAA get the most performance it can from its resources. With the right structure and processes, performance reviews and incentives will reward achieving the goals FAA has set. Without a sound performance management structure and the right processes to cascade responsibilities and tasks down the pyramid, incentives lead to frustration and performance review becomes accountability for failure.

FAA is now achieving the basis for sound performance management. As this Strategic Supplement shows, FAA has gone far toward defining near- and long-term goals, objectives, and programs. It is close to achieving a new Cost Accounting System (CAS) that will, for the first time, allow it to look at the full costs of its activities and develop benchmarks for improvement. It will soon have a Labor Distribution Reporting (LDR) system that will allow it to do the same for its human resources. FAA has assembled a team of key people from all the lines of business and staff organizations, begun training them in performance management, and asked them to describe performance management as it is done in FAA today. The team has also gathered information on best practices in other government organization and businesses, including the aviation industry. It will use that information to improve FAA's structure of performance management, baseline FAA's current practices, and begin looking for improvements.

Performance Review

Performance review is a key to performance management. FAA corporately reviews performance in two ways during the year. FAA senior managers meet monthly to review the status of FAA's Performance Goals and Corporate Projects. The Chief Financial Officer produces the "FAA Monthly Performance Report" on FAA achievement of its annual Performance Goals and Corporate Projects. Lead organizations update goal and project status and lead and support organizations rate projects and their responsibilities as "green" (on target), "yellow" (facing issues) or "red" (in real trouble). FAA senior management reviews each project approximately quarterly.

FAA has also drafted an Accountability Contract, similar to the old Performance Agreements but simpler, between the Administrator and the Secretary.

Individual and Team Performance Incentives: Short Term Incentives (STI) and the Organizational Success Increase (OSI)

FAA provides **Short Term Incentives (STI)** for senior executives and a performance-based **Organizational Success Increase (OSI)** and a **Superior Contribution Increase (SCI)** to encourage non-bargaining unit FAA employees to work toward achievement of key FAA Performance Goals and Corporate Projects. STI includes "Core" goals taken from FAA's Performance Goals. With different weights, they apply to all FAA senior executives as a team. STI also has organizational or individual goals taken from the Corporate Projects or other key programs. Different goals apply to each individual senior executive.

The Organizational Success Increase goals apply to all FAA non-bargaining unit employees as a team. They are not as ambitious as the STI goals because employees should not be held responsible for executive decisions that may affect their performance. At the end of the fiscal year, the Administrator decides how much of an OSI to grant up to a specified limit. That decision is based on FAA achievement of the stated OSI goals, and also based on what FAA has accomplished on Corporate Projects or other activities that may influence goal achievement in the future. The best performing employees also receive a Superior Contribution Increase.

The FY 2002 STI and OSI FAA-wide goals are shown in the following table.

Short Term Incentives (STI)	Organizational Success Increase (OSI)
SAFETY - Reduce the commercial air carrier fatal accident rate by 25 percent to .038 per 100,000 departures; and limit the number of general aviation fatal accidents to 379.	SAFETY - Continue to make progress toward reducing the fatal aviation accident rate by 80 percent.
SYSTEM EFFICIENCY - Increase the percent of flights that arrive no more than 15 minutes after the scheduled arrival time at 32 DOT airports to 77.2%; and limit the number of people in the U.S. who are exposed to significant aircraft noise levels to 440,000.	SYSTEM EFFICIENCY - Improve the use of existing airport and airspace capacity.
ORGANIZATIONAL EXCELLENCE - Increase the score received on the American Customer Satisfaction Index (ACSI) survey of U.S. commercial pilots to 60; and achieve an unqualified audit opinion for FY 2001.	SECURITY - Provide a smooth transition of FAA civil aviation security functions to the new Transportation Security Agency (TSA) and strong linkage between FAA and TSA.
(Remaining goals for FAA senior executives are set individually in negotiations with the Administrator, the Deputy Administrator, and/or the appropriate Associate or Assistant Administrator.)	CUSTOMER SATISFACTION - Gain positive feedback from stakeholders (Congress, the Management Advisory Council [MAC], industry, media, and the public).
	FINANCIAL RESPONSIBILITY - Achieve a clean financial audit and further improve agency accountability by implementing core financial systems.
	PEOPLE - Continue to build a Model Work Environment