



United States
General Accounting Office
Washington, D.C. 20548

**Resources, Community, and
Economic Development Division**

B-282797

June 18, 1999

The Honorable Robert E. Andrews
House of Representatives

Subject: National Airspace System: Review of FAA's Spending for Operations

Dear Mr. Andrews:

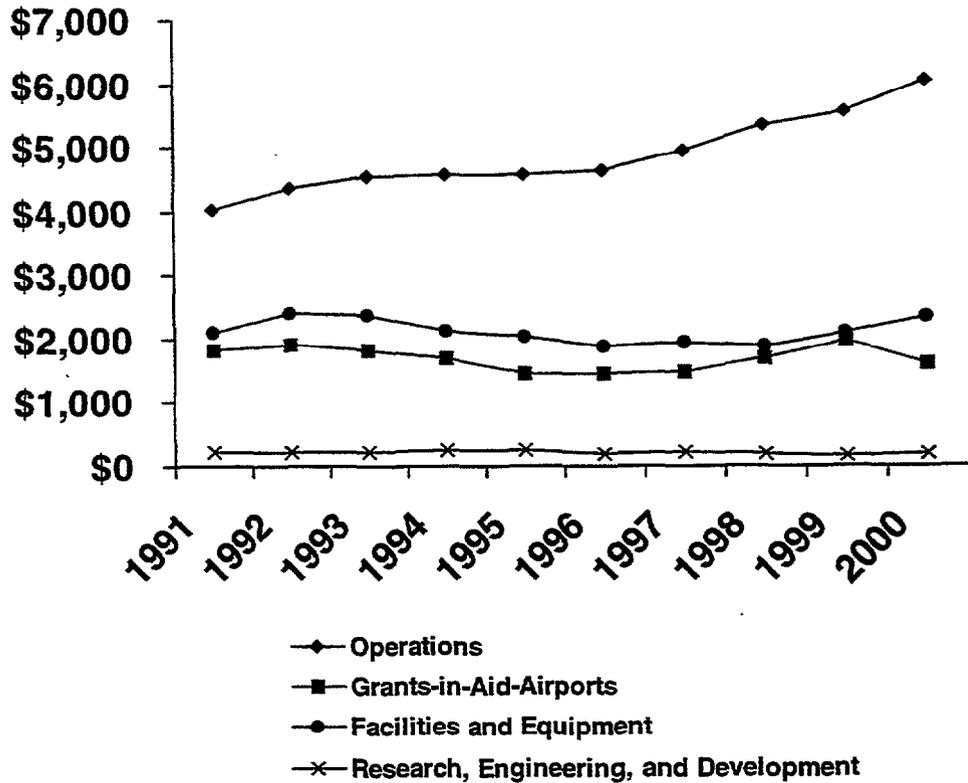
The activities of the Federal Aviation Administration (FAA) are financed through four major budget accounts: Facilities and Equipment; Grants-in-Aid-Airports; Research, Engineering, and Development; and Operations. Historically, these accounts, except for the Operations account, receive all of their funding from the Airport and Airway Trust Fund (Trust Fund).¹ FAA's operations costs, which include the salaries and related benefits of FAA staff as well as funds for operating and maintaining equipment and facilities used in carrying out the agency's mission, are funded from both the Trust Fund and the U.S. Treasury's General Fund.² As figure 1 shows, appropriations for the Operations account increased steadily from fiscal year 1991 through fiscal year 2000, raising the total by nearly 50 percent. This growth in funding for the Operations account contrasts markedly with the relative stability or slight fluctuation in funding for the other budget accounts.

¹ The Airport and Airway Trust Fund was created by the Airport and Airway Development and Revenue Acts of 1970 and receives aviation-related excise taxes paid by users. FAA estimates that the Trust Fund will have an uncommitted balance of about \$6.8 billion at the end of Sept. 1999.

² The spending amounts included in this report are based on budgetary accounting principles. Under these principles, spending is recognized when obligations are incurred. Obligations result from contracts, purchase orders, and similar events. Financial accounting principles recognize expenses when goods and services are consumed, thereby facilitating a comparison of resource costs with related services or benefits provided.

Figure 1: FAA's Budget History, Fiscal Years 1991-2000

Dollars in millions



Note: Data for fiscal years 1991-99 represent appropriations, while data for fiscal year 2000 represent the administration's budget request.

Source: GAO's presentation of data from FAA.

You asked us to examine FAA's spending from its Operations account. On the basis of discussions with your office, we agreed to answer three specific questions: (1) What is the history of funding FAA's operations activities from the Trust Fund? (2) Does FAA have data to allow a determination of whether its spending for operations is cost-efficient and cost-effective? (3) What changes could FAA institute in its various programs, offices, and projects to reduce its spending for operations? On June 10, 1999, we briefed your staff on the results of this work. Enclosure I contains the materials we presented at that time.

In summary, we found the following:

- The Trust Fund was created to finance aviation infrastructure, some administrative expenses, research and development, and the maintenance and operation of the National Airspace System. During the 29-year period from fiscal year 1970 through fiscal year 1998, the Trust Fund was used to pay for operations activities in 23 fiscal years.³ Over this period, the percentage of spending for operations financed from the Trust Fund varied widely, from 0 percent to 100 percent, averaging about 27 percent annually.
- Because FAA lacks complete and timely cost accounting data and has other weaknesses in financial management, the ability to perform a valid and reliable financial accounting determination of whether the agency's spending for operations is cost-efficient and cost-effective is limited. Such a determination would require the ability to compare the full cost of FAA's operating activities—including the identification of the direct and indirect costs of these activities—to output measurements. Cost accounting data facilitate this comparison. In the absence of complete and timely financial cost accounting data, we analyzed FAA's largest operating cost—payroll—and compared the agency's annual growth in payroll spending with that of the federal government as a whole.⁴ We found that for fiscal years 1990-97, FAA's and the federal government's spending for payroll followed generally similar patterns. For fiscal years 1998 and 1999, FAA's spending grew at a significantly greater rate. Among the factors that contributed to this difference was that a higher concentration of FAA employees work in technical or safety areas, where pay and benefits tend to be higher. The average grade of FAA employees is GS-12, whereas the average grade for federal employees is GS-9. Additionally, during this time period, FAA added safety-related staff to its workforce to bolster the agency's mission. In fiscal year 1998, the number of safety-related staff increased by over 1,100 employees. Finally, the growth in payroll spending during these 2 years can be attributed to increases associated with a new pay system for air traffic controllers, which went into effect on October 1, 1998. FAA estimates that the costs associated with this new system will require approximately \$1 billion in additional funding over 5 years beginning in fiscal year 1999.
- GAO and the Department of Transportation's Inspector General have recommended that FAA correct weaknesses in its accounting system to accurately accumulate reliable, cost-based data. In addition, the Inspector General has recommended that FAA correct weaknesses in its underlying accounting system to produce a set of auditable financial statements.⁵ FAA plans to correct these weaknesses by the end of September 1999. FAA's cost accounting system is currently under development and is scheduled to be fully implemented by September 2001. FAA's successful

³ Enclosure II provides a history of the Trust Fund, and table II.1 in that enclosure presents the appropriations and financing sources for FAA's major accounts, by fiscal year, for fiscal years 1970-98.

⁴ Payroll spending for the federal government includes both civil and military personnel. For this analysis, we used gross obligations.

⁵ See Air Traffic Control: Improved Cost Information Needed to Make Billion Dollar Modernization Investment Decisions (GAO/AIMD-97-20, Jan. 22, 1997) and Fiscal Year 1998 Financial Statements, Federal Aviation Administration (DOT/OIG-72-1999-070, Mar. 8, 1999).

completion of these tasks is critical to the development and implementation of a cost accounting system that can identify costs and potential opportunities for savings within FAA's programs, offices, and projects. In addition, FAA has actions under way, such as contracting for the operation of low-activity air traffic control towers, that have reduced its operating costs.⁶ Expanding this and other efforts and implementing the recommendations that GAO and others have made could further increase the effectiveness and efficiency of FAA's spending for operations. Moreover, two recent bills call for FAA to take additional actions to reduce its operating costs.⁷ One of the bills, the Aviation Investment and Reform Act for the 21st Century (H.R.1000), has provisions related to sharing the costs of contracted operations at the low-activity air traffic control towers, implementing management reforms at FAA, and verifying FAA's costs that would help ensure more effective and efficient operations.

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Transportation and FAA for review and comment. We met with FAA officials, including the Manager, Office of Financial Management. According to FAA, problems with the lack of a cost accounting system—namely, problems with property, plant, and equipment—are related to FAA's Facilities and Equipment account and not to the Operations account. While acknowledging that a cost accounting system would help the agency manage its operations, FAA commented that such a system was not required to review its spending for operations. FAA officials made other clarifying comments, which have been incorporated as appropriate.

We agree that the major problems with FAA's accounting data identified to date relate to property, plant, and equipment, which fall under the Facilities and Equipment account. However, our objective was to assess whether FAA has data to allow a determination of whether its spending for operations is cost-effective and cost-efficient. Making such a determination requires the ability to compare the full cost of operating activities with output measures. Determining the full cost of output measures requires the ability to identify and assign the indirect as well as the direct costs of these activities. The data that are currently available provide a picture only of what is spent on operations, not of the full cost of operations. We maintain that cost accounting data are important to make a valid and reliable determination of whether FAA's operations spending is cost-effective and cost-efficient.

Scope and Methodology

To determine the history of funding FAA's operations from the Trust Fund, we reviewed the Trust Fund's legislative history and analyzed the funding profile for FAA's operations activities. To analyze FAA's spending for operations activities, we reviewed

⁶ Until recently, FAA classified air traffic control towers as level I (least busy) through level V (busiest). Low-activity towers generally include those at level I. Beginning in Oct. 1998, FAA reclassified these facilities into 14 levels, according to the volume of air traffic and the complexity of operations.

⁷ Aviation Investment and Reform Act for the 21st Century (H.R. 1000). (See sections 131, 302, 303, 304, and 307). Department of Transportation and Related Agencies Appropriations Bill, 2000 (H.R. 2084), House Report 106-180.

financial audit reports prepared by the Department of Transportation's Inspector General to ascertain whether FAA produced accurate and reliable cost information that could be used as a basis for determining how effectively and efficiently the agency was spending its operations funds. To compare FAA's and the federal government's growth in spending for payroll, we analyzed budget data from fiscal year 1990 through fiscal year 1999 and consulted with the Office of Personnel Management on the federal government's payroll costs and characteristics.

We performed our review from April through June 1999 in accordance with generally accepted government auditing standards.

Unless you publicly announce its content earlier, we plan no further distribution of this report until 5 days after the date of this letter. At that time, we will send copies of the report to the Honorable Rodney E. Slater, Secretary of Transportation; the Honorable Jane F. Garvey, Administrator, Federal Aviation Administration; and other interested parties. We will also make copies available to others on request.

If you have any questions about this report, please call me at (202) 512-2834. Key contributors to this report were John Fretwell, Belva Martin, John Noto, and Susan Poling.

Sincerely yours,


for Gerald L. Dillingham
Associate Director,
Transportation Issues

Enclosures - 2

GAO

**Review of FAA's Spending
for Operations**

GAO Research Questions

- What is the history of funding the Federal Aviation Administration's (FAA) operations activities from the Airport and Airway Trust Fund (Trust Fund)?
 - Does FAA have data to allow a determination of whether its spending for operations is cost-efficient and cost-effective?
 - What changes could FAA institute in its various programs, offices, and projects to reduce its spending for operations?
-

GAO History of Funding Operations From the Trust Fund

- The Airport and Airway Trust Fund was created in 1970 under the Airport and Airway Development and Revenue Acts to finance
 - » aviation infrastructure,
 - » some administrative expenses,
 - » research and development, and
 - » the maintenance and operation (operations) of the National Airspace System.
-

GAO History of Funding Operations From the Trust Fund (cont.)

- During the 29-year period from fiscal year 1970 through fiscal year 1998, the Trust Fund was used to pay for operations activities in 23 fiscal years.
 - The percentage of spending for operations financed from the Trust Fund varied widely, from 0 percent to 100 percent, averaging 27 percent annually.
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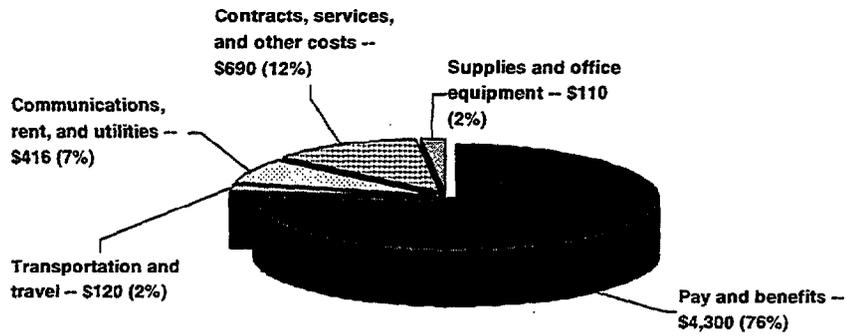
GAO Does FAA Have Data to Determine Whether Its Spending for Operations Is Cost-Efficient and Cost-Effective?

- In fiscal year 1999, FAA's operations budget totaled approximately \$5.6 billion, which is 57 percent of the agency's total budget.
 - FAA estimates that by fiscal year 2004, the operations budget will grow to approximately \$7.6 billion and will represent 67 percent of its total budget.
 - As figure I shows, FAA's operations budget is primarily payroll-driven.
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GAO Does FAA Have Data to Determine Whether Its Spending for Operations Is Cost-Efficient and Cost-Effective? (cont.)

Figure I: Fiscal Year 1999 Operations Budget, by Category

Dollars in millions



Note: Percentages do not total 100 percent because of rounding.

GAO Does FAA Have Data to Determine Whether Its Spending for Operations Is Cost-Efficient and Cost-Effective? (cont.)

- Because FAA lacks complete and timely cost accounting information and has other weaknesses in financial management, the ability to perform a valid and reliable financial accounting determination of whether the agency's spending for operations is cost-efficient and cost-effective is limited.

GAO Does FAA Have Data to Determine Whether Its Spending for Operations Is Cost-Efficient and Cost-Effective? (cont.)

- For example, without reliable cost information, FAA cannot measure the actual cost of operating a facility or maintaining a project, compare these costs against established baselines, or use this information to help improve future cost estimating efforts.
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GAO Does FAA Have Data to Determine Whether Its Spending for Operations Is Cost-Efficient and Cost-Effective? (cont.)

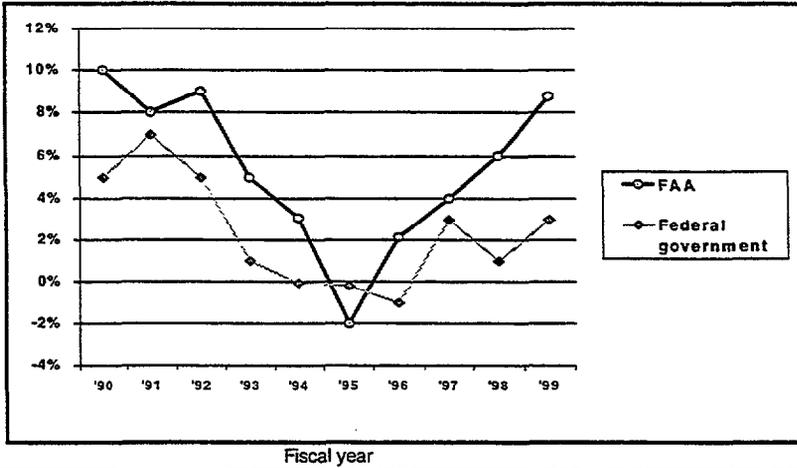
- In the absence of complete and timely cost accounting data, we examined FAA's largest operations expenditure--payroll--and compared the agency's annual growth in payroll spending with that of the federal government as a whole.

GAO Does FAA Have Data to Determine Whether Its Spending for Operations Is Cost-Efficient and Cost-Effective? (cont.)

- Our comparison of FAA's and the federal government's annual growth in payroll spending shows initial similarities and some differences:
 - » For fiscal years 1990-97, FAA's and the federal government's spending for payroll generally followed similar patterns.
 - » For fiscal years 1998 and 1999, FAA's spending grew at a significantly greater rate, in part because
 - » a higher concentration of FAA employees work in technical or safety areas, where pay and benefits tend to be higher, and
 - » several hundred additional safety-related staff were hired by the agency. (See fig. II for details.)
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GAO Does FAA Have Data to Determine Whether Its Spending for Operations Is Cost-Efficient and Cost-Effective? (cont.)

Figure II: Growth in Payroll Spending--FAA vs. the Federal Government



GAO How Could FAA Reduce Its Spending for Operations?

- Without reliable cost information, FAA is limited in its ability to meaningfully improve the performance of its programs, offices, and projects.
 - To develop reliable cost information, GAO and/or the Department of Transportation's Inspector General have, among other things; recommended that FAA
 - » correct weaknesses in its accounting system to accumulate the reliable data needed for producing auditable financial statements (currently scheduled for Sept. 1999) and
 - » complete the development and implementation of a cost accounting system (currently scheduled for Sept. 2001).
-

GAO How Could FAA Reduce Its Spending for Operations? (cont.)

- The agency has the potential to further reduce costs and gain efficiencies through actions such as
 - » fully implementing its new personnel management system and provisions of its recent collective bargaining agreement with air traffic controllers, both of which would allow more efficient use of staff resources, and
 - » continuing to contract for the operation of low-activity towers, to consolidate flight service stations, and to restructure headquarters and regional offices.
-

History of the Airport and Airway Trust Fund

The Airport and Airway Trust Fund was created in 1970 when the Congress enacted the Airport and Airway Development and Revenue Acts to deal with the inadequacy of the nation's airport and airway system to meet the current and projected growth in aviation.⁸ The 1970 act comprises two titles: title I, the Airport and Airway Development Act of 1970, and title II, the Airport and Airway Revenue Act of 1970. We will refer to these two laws simply as the 1970 act. Title I authorized federal funds, at least \$250 million a year for 5 years, for the acquisition, establishment and improvement of air navigational facilities and another \$280 million a year for 5 years for airport development. Title II established the Trust Fund, made up of aviation-related excise taxes, to finance these activities. The aviation excise taxes included an increase in the gasoline tax on general aviation, an increase in the passenger ticket tax for domestic flights, a new tax on international commercial passengers, a new tax on air freight waybills, and a new annual aircraft registration tax.

Provisions of the 1970 Act

Under the 1970 act, sections 14a, 14b, and 14c authorized airport development, which was defined as any work involved in constructing, improving, or repairing a public airport.⁹ It included the removal, marking, and lighting of airport hazards; the installation of navigational aids and safety equipment; and the acquisition of land for future airport development and air navigational facilities. The Senate report that accompanied the 1970 act referred to airport development grants and air navigation and control facilities as capital investments.¹⁰

Section 14(d) of the 1970 act required that the balance of the monies available in the Trust Fund be allocated for administrative expenses incident to the airport development grants, for the maintenance and operation of air navigation facilities, and for research and development activities.

In addition to section 14, section 208(f) of title II of the 1970 act set forth the categories of expenditures that could be paid from the Trust Fund. Section 208(f)(1)(B) stated that the Trust Fund was available for obligations that were attributable to "planning, research and development, construction or operation and maintenance of: (i) air traffic control, (ii) air navigation, (iii) communications, or (iv) supporting services for the airway system." Section 208(f)(1)(C) also allowed FAA administrative expenses incident to airport development to be paid from the Trust Fund.

There is some indication that the Senate Commerce Committee believed that at the outset, most of the revenues from the Trust Fund would be earmarked for capital improvements while general tax revenues would be appropriated to continue to finance the operation and

⁸ Pub. L. No. 91-258, 84 Stat. 219 (1970).

⁹ Pub. L. No. 91-258, sec. 11, 84 Stat. 219, 220.

¹⁰ See S. Rep. No. 91-565, at 20 (1969).

maintenance of the air traffic control system.¹¹ The Senate report accompanying the bill explained,

The reported bill allocates, for specific capital investment purposes, portions of the total user charge-derived revenues and provides that no other user charge-derived trust fund revenues should be obligated for other purposes until the minimum amounts have been allocated to the capital investment portions of the program After these allocations have been made, remaining trust fund revenues accruing from user charges and from general appropriations may be expended for the other purposes¹²

However, the Senate Finance Committee, with jurisdiction over the Trust Fund, did not set priorities between capital improvement spending and operation and maintenance spending. Its report said simply, "The Trust Fund is created in order to insure that the aviation user taxes are expended only for the expansion, improvement and maintenance of the air transportation system."¹³ The language of section 208 reflects this lack of prioritization.

Taken together, sections 14 and 208 in the 1970 act explicitly authorize the use of the Trust Fund for certain administrative expenses, for the operation and maintenance of the air traffic control system, and for research and development.

Amendments to the 1970 Act

Debate over the proper use of the Trust Fund and what proportion could be spent on the operation and maintenance of the air traffic control system began almost immediately. Six months after the passage of the 1970 act, the Department of Transportation (DOT), in a supplemental budget request for fiscal year 1971, proposed using only \$100 million of the \$280 million authorized in section 14 for airport development and \$226 million rather than the \$250 million authorized for air navigation facilities and equipment. DOT proposed using the rest of the money from the Trust Fund to fund FAA's operation and maintenance programs.¹⁴

¹¹ *Id.*, at 20, 21 (1969), and comments by Senator Magnuson, Chairman of the Senate Commerce Committee and floor manager for the bill, 116 Cong. Rec. S2266 (daily ed. Feb. 24, 1970) [statement of Sen. Magnuson].

¹² S. Rep. No. 91-565, at 20, 21 (1969).

¹³ S. Rep. No. 91-706, at 10 (1970).

¹⁴ During the course of this dispute between the Nixon administration and the House and Senate authorizing committees, the General Accounting Office was asked whether the administration's actions constituted an illegal diversion of funds. Since neither the regular nor the supplemental appropriation had yet been enacted, we found it premature to make findings. B-77406, Dec. 29, 1970. We did note that "it appears that the Administration's supplemental funding request will result in less expenditure for airport capital improvements and thus such improvements will not be accorded the priority which the Senate Committee on Commerce apparently desired. . . .Of course, if the Congress now feels that amounts over and above those requested by the Administration should be made available to carry out such expressed intent, such additional amounts may be appropriated by the Congress." In response to a request from Sen. Magnuson, Chairman of the Senate Commerce Committee, for bill comments, the Comptroller General wrote in a June 23, 1971, letter, "whether the Congress intended to require that the minimum amounts specified in Section 14 of the 1970 Act be expended or reserved in the Trust Fund before monies in the fund could be expended for other purposes has been the subject of considerable controversy between the administration and the Congress. Accordingly, it would appear desirable that the intent of the Congress in this matter be clarified." B-77406, June 23, 1971.

Table II.1: FAA's Budget Information: Airport and Airway Trust Fund and General Fund Shares

Dollars in millions

Account/appropriation	Fiscal year					
	1970	1971	1972	1973	1974	1975
Grants-in-Aid-Airports	\$840.0	\$193.0	\$15.0	\$635.0	\$0	\$0
Facilities and Equipment	224.0	238.0	302.0	213.0	250.0	227.0
Research, Engineering, and Development	41.0	49.0	78.0	70.0	62.0	58.0
Operations	845.0	1,026.0	989.0	1,170.0	1,292.0	1,419.0
Trust Fund share	0	34.0	989.0	0	0	0
General Fund share	845.0	992.0	0	1,170.0	1,292.0	1,419.0
Total FAA appropriations	1,950.0	1,506.0	1,384.0	2,088.0	1,604.0	1,704.0
Share of FAA's budget from the Trust Fund	840.0	299.0	1,369.0	918.0	312.0	285.0
Share of FAA's budget from the General Fund	1,110.0	1,207.0	15.0	1,170.0	1,292.0	1,419.0
Percentage of FAA's appropriations from the Trust Fund	43%	20%	99%	44%	19%	17%
Percentage of FAA's appropriations from the General Fund	57%	80%	1%	56%	81%	83%
Percentage of FAA's Operations appropriation from the Trust Fund	0%	3%	100%	0%	0%	0%

The Trust Fund generally financed 100 percent of the Grant-in-Aid Airports; Facilities and Equipment; and Research, Engineering, and Development appropriations. To cover shortfalls during the transition years—fiscal years 1970-72—General Fund revenues totaling \$495 million (\$265 million in fiscal year 1970, \$215 million in fiscal year 1971 and \$15 million in fiscal year 1972) were also used to finance these appropriations. For these years, FAA's data did not fully break out the amounts of General Fund revenues financing each of these appropriations.

Source: GAO's presentation of data from FAA.

Enclosure II

Dollars in millions

Account/appropriation	Fiscal year					
	1976	1977	1978	1979	1980	1981
Grants-in-Aid-Airports	\$515.0	\$510.0	\$555.0	\$644.0	\$677.0	\$570.0
Facilities and Equipment	246.0	200.0	209.0	345.0	293.0	350.0
Research, Engineering, and Development	67.0	74.0	81.0	75.0	75.0	85.0
Operations	1,567.0	1,738.0	1,898.0	2,033.0	2,170.0	2,340.0
Trust Fund share	0	250.0	275.0	300.0	325.0	525.0
General Fund share	1,567.0	1,488.0	1,623.0	1,733.0	1,845.0	1,815.0
Total FAA appropriations	2,395.0	2,522.0	2,743.0	3,097.0	3,215.0	3,345.0
Share of FAA's budget from the Trust Fund	828.0	1,034.0	1,120.0	1,364.0	1,370.0	1,530.0
Share of FAA's budget from the General Fund	1,567.0	1,488.0	1,623.0	1,733.0	1,845.0	1,815.0
Percentage of FAA's appropriations from the Trust Fund	35%	41%	41%	44%	43%	46%
Percentage of FAA's appropriations from the General Fund	65%	59%	59%	56%	57%	54%
Percentage of FAA's Operations appropriation from the Trust Fund	0%	14%	14%	15%	15%	22%

The Trust Fund generally financed 100 percent of the Grant-in-Aid Airports; Facilities and Equipment; and Research, Engineering, and Development appropriations. To cover shortfalls during the transition years—fiscal years 1970-72—General Fund revenues totaling \$495 million (\$265 million in fiscal year 1970, \$215 million in fiscal year 1971 and \$15 million in fiscal year 1972) were also used to finance these appropriations. For these years, FAA's data did not fully break out the amounts of General Fund revenues financing each of these appropriations.

Source: GAO's presentation of data from FAA.

Enclosure II

Dollars in millions

Account/appropriation	Fiscal year					
	1982	1983	1984	1985	1986	1987
Grants-in-Aid-Airports	\$450.0	\$750.0	\$800.0	\$925.0	\$885.0	\$1,025.0
Facilities and Equipment	261.0	625.0	750.0	1,358.0	895.0	805.0
Research, Engineering, and Development	72.0	103.0	264.0	265.0	237.0	142.0
Operations	2,292.0	2,579.0	2,587.0	2,699.0	2,725.0	2,959.0
Trust Fund share	810.0	1,277.0	0	1,110.0	427.0	621.0
General Fund share	1,482.0	1,302.0	2,587.0	1,589.0	2,298.0	2,338.0
Total FAA appropriations	3,075.0	4,057.0	4,400.0	5,247.0	4,742.0	4,930.0
Share of FAA's budget from the Trust Fund	1,593.0	2,755.0	1,814.0	3,658.0	2,444.0	2,593.0
Share of FAA's budget from the General Fund	1,482.0	1,302.0	2,586.0	1,589.0	2,298.0	2,337.0
Percentage of FAA's appropriations from the Trust Fund	52%	68%	41%	70%	52%	53%
Percentage of FAA's appropriations from the General Fund	48%	32%	59%	30%	48%	47%
Percentage of FAA's Operations appropriation from the Trust Fund	35%	50%	0%	41%	16%	21%

The Trust Fund generally financed 100 percent of the Grant-in-Aid Airports; Facilities and Equipment; and Research, Engineering, and Development appropriations. To cover shortfalls during the transition years—fiscal years 1970-72—General Fund revenues totaling \$495 million (\$265 million in fiscal year 1970, \$215 million in fiscal year 1971 and \$15 million in fiscal year 1972) were also used to finance these appropriations. For these years, FAA's data did not fully break out the amounts of General Fund revenues financing each of these appropriations.

Source: GAO's presentation of data from FAA.

Enclosure II

Dollars in millions

Account/appropriation	Fiscal year					
	1988	1989	1990	1991	1992	1993
Grants-in-Aid-Airports	\$1,268.7	\$1,400.0	\$1,425.0	\$1,800.0	\$1,900.0	\$1,800.0
Facilities and Equipment	1,108.1	1,384.2	1,721.2	2,095.4	2,409.0	2,301.7
Research, Engineering, and Development	153.4	159.9	170.2	205.0	218.1	230.0
Operations	3,184.0	3,445.0	3,824.6	4,036.9	4,360.0	4,530.0
Trust Fund share	826.0	471.3	807.2	2,002.7	2,109.6	2,279.3
General Fund share	2,358.0	2,973.7	3,017.4	2,034.2	2,250.4	2,250.7
Total FAA appropriations	5,714.2	6,389.1	7,140.9	8,137.3	8,887.1	8,861.7
Share of FAA's budget from the Trust Fund	3,356.2	3,415.4	4,123.5	6,103.1	6,636.8	6,611.0
Share of FAA's budget from the General Fund	2,358.0	2,973.7	3,017.4	2,034.2	2,250.3	2,250.7
Percentage of FAA's appropriations from the Trust Fund	59%	53%	58%	75%	75%	75%
Percentage of FAA's appropriations from the General Fund	41%	47%	42%	25%	25%	25%
Percentage of FAA's Operations appropriation from the Trust Fund	26%	14%	21%	50%	48%	50%

The Trust Fund generally financed 100 percent of the Grant-in-Aid Airports; Facilities and Equipment; and Research, Engineering, and Development appropriations. To cover shortfalls during the transition years—fiscal years 1970-72—General Fund revenues totaling \$495 million (\$265 million in fiscal year 1970, \$215 million in fiscal year 1971 and \$15 million in fiscal year 1972) were also used to finance these appropriations. For these years, FAA's data did not fully break out the amounts of General Fund revenues financing each of these appropriations.

Source: GAO's presentation of data from FAA.

Enclosure II

Dollars in millions

Account/appropriation	Fiscal year				
	1994	1995	1996	1997	1998
Grants-in-Aid-Airports	\$1,690.0	\$1,450.0	\$1,450.0	\$1,460.0	\$1,700.0
Facilities and Equipment	2,054.7	1,960.4	1,855.1	1,937.7	1,900.5
Research, Engineering, and Development	254.0	251.6	185.7	208.4	199.2
Operations	4,579.0	4,572.1	4,642.7	4,954.9	5,336.5
Trust Fund share	2,294.5	2,450.3	2,222.9	1,700.4	1,901.6
General Fund share	2,284.5	2,121.8	2,419.8	3,254.5	3,434.9
Total FAA appropriations	8,577.7	8,234.1	8,133.5	8,561.0	9,136.2
Share of FAA's budget from the Trust Fund	6,293.2	6,112.2	5,713.6	5,306.5	5,701.3
Share of FAA's budget from the General Fund	2,284.5	2,121.9	2,419.9	3,254.5	3,434.9
Percentage of FAA's appropriations from the Trust Fund	73%	74%	70%	62%	62%
Percentage of FAA's appropriations from the General Fund	27%	26%	30%	38%	38%
Percentage of FAA's Operations appropriation from the Trust Fund	50%	54%	48%	34%	36%

The Trust Fund generally financed 100 percent of the Grant-in-Aid Airports; Facilities and Equipment; and Research, Engineering, and Development appropriations. To cover shortfalls during the transition years—fiscal years 1970-72—General Fund revenues totaling \$495 million (\$265 million in fiscal year 1970, \$215 million in fiscal year 1971 and \$15 million in fiscal year 1972) were also used to finance these appropriations. For these years, FAA's data did not fully break out the amounts of General Fund revenues financing each of these appropriations.

Source: GAO's presentation of data from FAA.

(348171)

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