



Highlights of [GAO-04-822](#), a report to congressional requesters

INFORMATION TECHNOLOGY

FAA Has Many Investment Management Capabilities in Place, but More Oversight of Operational Systems Is Needed

Why GAO Did This Study

The Federal Aviation Administration’s (FAA) mission is to promote the safe, orderly, and expeditious flow of air traffic in the United States airspace system, commonly referred to as the National Airspace System (NAS). To maintain its ability to effectively carry out this mission FAA embarked, in 1981, on a multi-billion dollar effort to modernize its aging air traffic control (ATC) system, the principle technology component of the NAS. Yet the NAS modernization has continued to be plagued by cost increases, schedule delays, and performance shortfalls. To gain insight into how FAA is meeting its management challenges, congressional requesters asked GAO to evaluate FAA’s processes for making IT investment management decisions. The objectives of this review included (1) evaluating FAA’s capabilities for managing its IT investments and (2) determining what plans, if any, the agency might have for improving these capabilities.

What GAO Recommends

To strengthen FAA’s investment management capability, GAO recommends that FAA develop and implement a plan to address the weaknesses identified in this report. In commenting on a draft of this report, the Department of Transportation commented that the report was balanced and fair, showing where FAA has many capabilities in place and identifying areas that need improvement.

www.gao.gov/cgi-bin/getrpt?GAO-04-822.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David Powner, 202-512-9286, pownerd@gao.gov or Lester Diamond, 202-512-7957, diamondl@gao.gov.

What GAO Found

Judged against the criteria of GAO’s framework for information technology investment management (ITIM), which measures the maturity of an organization’s investment management processes, FAA has established about 80 percent of the basic selection and control practices that it needs to manage its mission-critical investments (see table below). For example, business lines actively monitor projects throughout their life cycles. However, the agency’s senior IT investment board does not regularly review investments that are in the “in-service management,” or operational, phase of their life cycles, and this creates a weakness in FAA’s ability to oversee more than \$1 billion of its IT investments. In addition, the agency has not yet established the key practices that would allow it to manage all of its investments as one portfolio—an integrated set of competing options. Until FAA has established the practices that would enable it to effectively manage its annual IT budget of about \$2.5 billion, agency executives lack assurance that they are selecting and managing the mix of investments that best meets the agency’s needs and priorities.

The agency has initiated efforts to improve its investment management processes, but it has not yet developed and implemented a comprehensive plan—supported by management—to guide all of its improvement efforts. Such a plan is crucial in helping FAA to coordinate and prioritize its improvement efforts and sustain its commitment to the efforts it already has under way. Without such a plan—and controls for implementing it—FAA will be unlikely to develop a mature investment management capability.

Summary of Results for Foundational Critical Processes and Key Practices

Critical process	Purpose	Key practices executed for NAS systems
Instituting an investment board	To define and establish an appropriate IT investment management structure and the processes for selecting, controlling, and evaluating IT investments.	88%
Meeting business needs	To ensure that IT projects and systems support the organization’s business needs and meets users’ needs.	86%
Selecting an investment	To ensure that a well-defined and disciplined process is used to select new IT proposals and reselect ongoing investments.	70%
Providing investment oversight	To review the progress of IT projects and systems, using pre-defined criteria and checkpoints, in meeting cost, schedule, risk, and benefit expectations and to take corrective action when these expectations are not being met.	57%
Capturing investment information	To make available to decision makers information to evaluate the impacts and opportunities created by proposed (or continuing) IT investments.	100%
Overall		79%

Source: GAO.