



U.S. DOT Office of Inspector General Releases Second Audit Report on FAA NextGen Program

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On November 10, 2016, the U.S. Department of Transportation Office of Inspector General (OIG) released a second audit report regarding the FAA's NextGen program. In the initial audit, conducted in 2012, the OIG recommended that FAA establish cost, schedule, and performance estimates associated with the implementation of the NextGen program. In the second audit, the OIG concluded that FAA has made little progress towards these recommendations. Perhaps more significantly, FAA responded to the findings of the most recent audit by disagreeing with OIG and stating that it did not intend to implement the OIG recommendations.

Specifically, OIG recommended that FAA "[d]evelop and implement Agency-wide guidance for a uniform approach to segmentation that provides a common format to aid the management of multiple, complex, and interrelated programs needed to achieve NextGen capabilities for transforming the NAS." FAA expressed disagreement with that recommendation, stating that "it does not need a new nomenclature to substantively affect the nature of its investments, change the management of those investments, or reduce the overall risk." OIG responded by noting that the recommendation was intended to improve the overall organization and implementation of NextGen technology, not to specifically manage investment risk.

Because it concerns primarily technological and operational issues, this audit does not specifically address issues directly applicable to airports and local communities, such as air traffic routing or consideration of potential noise impacts. However, the audit does provide a look at FAA's thought process and inefficiencies with respect to overall implementation of the NextGen program.

The Firm has been assisting a number of airport sponsors in their efforts to assess how NextGen implementation will affect both their airport and their on-going community efforts on noise mitigation. Airports in Arizona, Northern California, Southern California, Florida, and Colorado are all engaged in aggressive efforts to ensure that the airport sponsors' concerns and interests are considered throughout the NextGen implementation process. For further information on the Firm's work or on the OIG report, please contact Peter Kirsch.