Summary of ATO Cost and Activity Data

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Summary of Briefing

- Fiscal Year 2013 ATC Activity
- Fiscal Year 2013 FAA Budget and ATC Costs
- FAA/ATC Funding
## FY13 Enhanced Traffic Management System (ETMS)

### Flight Activity by User Group

<table>
<thead>
<tr>
<th>Aggregate User Type</th>
<th>FY 2013 Activity in U.S. Airspace</th>
<th>Flights</th>
<th>Nautical Miles</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Passenger</td>
<td>10,628,884</td>
<td>6,838,970,225</td>
<td>17,611,767</td>
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</tr>
<tr>
<td>Freight</td>
<td>789,757</td>
<td>400,910,957</td>
<td>1,136,478</td>
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<tr>
<td>General Aviation – Turbine</td>
<td>1,720,262</td>
<td>791,772,056</td>
<td>2,395,155</td>
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</tr>
<tr>
<td>General Aviation – Other (Piston and Rotor)</td>
<td>1,418,734</td>
<td>325,647,258</td>
<td>2,134,943</td>
<td></td>
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<tr>
<td>Exempt/Other</td>
<td>1,018,759</td>
<td>324,985,688</td>
<td>1,257,022</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>15,576,396</strong></td>
<td><strong>8,682,286,184</strong></td>
<td><strong>24,535,365</strong></td>
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</tbody>
</table>

**ETMS Flights**

- Commercial Passenger: 68%
- Freight: 5%
- General Aviation - Turbine: 11%
- General Aviation - Other (Piston and Rotor): 9%
- Exempt / Other: 7%
FY13 FAA Budget Breakdown ($ millions)

Total FY13 FAA Budget = $15.267 billion

FY13 - FAA Budget by Source

- Ops - Trust Fund, $4,796, 31%
- AIP - Trust Fund, $3,343, 22%
- F&E - Trust Fund, $2,616, 17%
- RE&D- Trust Fund, $159, 1%
- Ops - General Fund, $4,352, 29%

FY13 - FAA Budget by Account

- Ops - Staff Offices / AST, $908, 6%
- AIP, $3,343, 22%
- Ops - AVS, $1,187, 8%
- Ops - ATO, $7,053, 46%
- RE&D, $159, 1%
- F&E - ATO, $2,457, 16%
- F&E - Other, $159, 1%

Ops = Operations
F&E = Facilities and Equipment
RE&D = Research, Engineering & Development
AIP = Airport Improvement Program
ATO = Air Traffic Organization
AVS = Aviation Safety
AST = Commercial Space Transportation
ATO Cost Accounting Overview

- FAA’s Cost Accounting System (CAS) records and assigns costs to ATO service delivery points, and is a tool to understand the full cost of ATO operations.

- CAS costs differ from ATO budgetary costs:
  - CAS uses accrual accounting, including depreciation for fully deployed capital projects to get at resources used in time period to produce services.
  - CAS allocates to ATO a portion of certain support costs that fall outside of the ATO budget, including:
    - FAA Shared Services (Finance, Information Technology, Acquisitions, Regions)
    - Human Resources
    - NextGen / Technical Center (ATO-specific projects are directly assigned to ATO)
    - Aeronautical Center
    - Other FAA overhead (e.g., Administrator’s office)
    - Change in employee pension liability (OPM budget item)

- Costs roll up by service level: Domestic Enroute, Oceanic, Flight Service, and Terminal.
FY13 ATO Cost of Services ($ millions)

Total FY13 ATO Cost of Services = $11.248 billion

FY13 CAS Costs by Service:
- Enroute, $4,646, 41%
- Terminal, $6,052, 54%
- Oceanic, $184, 2%
- Flight Service, $366, 3%

FY13 CAS Costs by Category:
- ATC Facilities Labor, $4,523, 40%
- Capital Costs, $2,945, 26%
- Indirect / Overhead, $1,492, 13%
- Direct Support, $1,512, 14%
- Contract Support, $433, 4%
- Other Operating Costs, $344, 3%
Current Taxes Overview

- FAA is funded through excise taxes deposited in the Airport and Airway Trust Fund (AATF), as well as a contribution from the General Fund
  - Trust Fund appropriation is not broken down by line of business

- FY13 receipts = $12.9 billion (IRS Certification)

- Taxes collected and reported by IRS include (Calendar Year 2013 rates shown):
  - Transportation of Persons by Air
    - 7.5% domestic ticket tax
    - $3.90 per domestic passenger flight segment
  - Transportation of Property
    - 6.25% cargo waybill tax on domestic shipments
  - Use of International Air Facilities
    - $17.20 per international passenger arrival or departure
    - $8.60 per passenger departure from Alaska/Hawaii
  - Aviation Fuel Commercial Use (4.3 cents per gallon)
  - Aviation Fuel Other than Gas (21.8 cents per gallon, noncommercial use)
  - Aviation Gasoline (19.3 cents per gallon)
  - Liquid Fuel Used in a Fractional Ownership Flight (35.9 cents per gallon)
Current Taxes Overview

Total FY13 Tax Receipts = $12.850 billion

FY13 Tax Receipts (IRS Certifications in $ mil)

- Transportation of Property, $803, 5%
- International Air Facilities, $2,870, 22%
- Aviation Fuel Commercial, $478, 4%
- Aviation Fuel (Other than Gas), $64, 0.5%
- Aviation Gasoline, $23, 0.2%
- Liquid Fuel - Fractional, $14, 0.1%
- Transportation of Persons, $8,798, 68%
Moving from the current excise tax system to an international-style user fee system would change what drives payments by the operators, and revenue to the air navigation service provider.

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<tr>
<th>Current Excise Tax Drivers</th>
<th>User Fee Drivers</th>
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<tbody>
<tr>
<td>Domestic passenger revenue (ticket prices)</td>
<td>Number of flights</td>
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<tr>
<td>Domestic passengers</td>
<td>Distance flown in U.S. domestic airspace</td>
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<tr>
<td>International passengers</td>
<td>Distance flown in U.S. oceanic airspace</td>
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<tr>
<td>Alaska/Hawaii passengers</td>
<td>Aircraft weight</td>
</tr>
<tr>
<td>Domestic cargo revenue</td>
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<td>Domestic fuel consumed</td>
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