

Summary of ATO Cost and Activity Data

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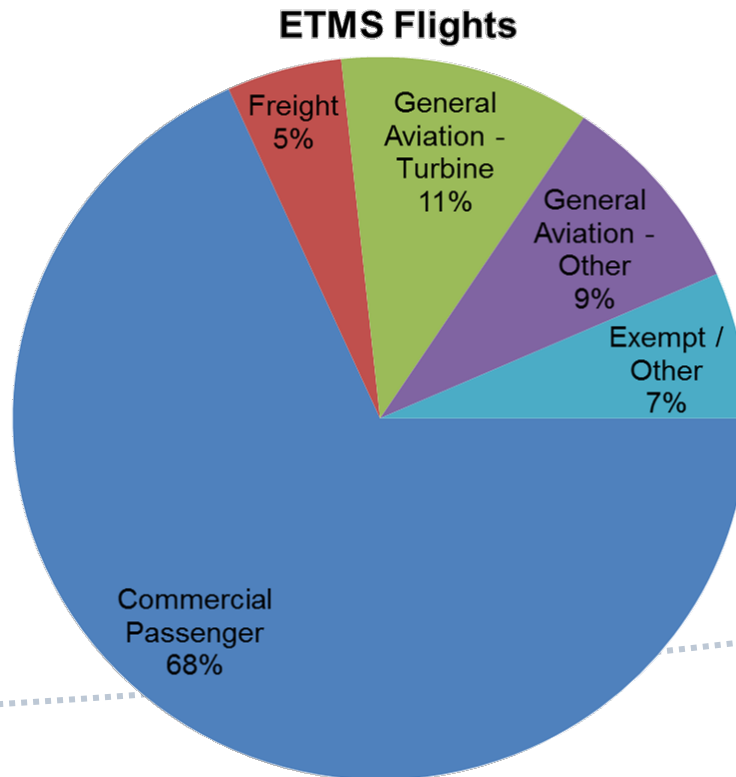
Summary of Briefing

- Fiscal Year 2013 ATC Activity
- Fiscal Year 2013 FAA Budget and ATC Costs
- FAA/ATC Funding



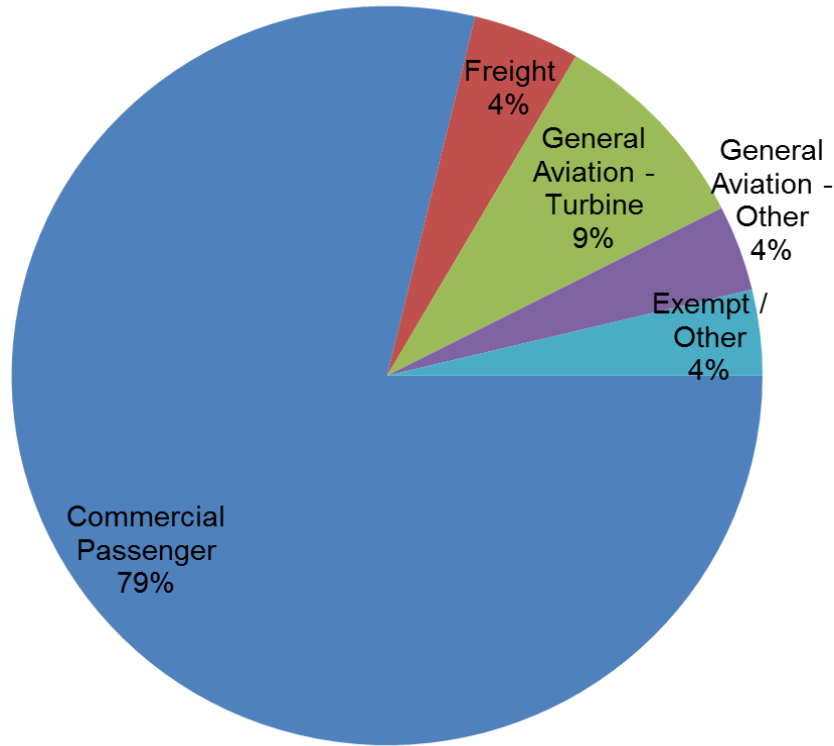
FY13 Enhanced Traffic Management System (ETMS) Flight Activity by User Group

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

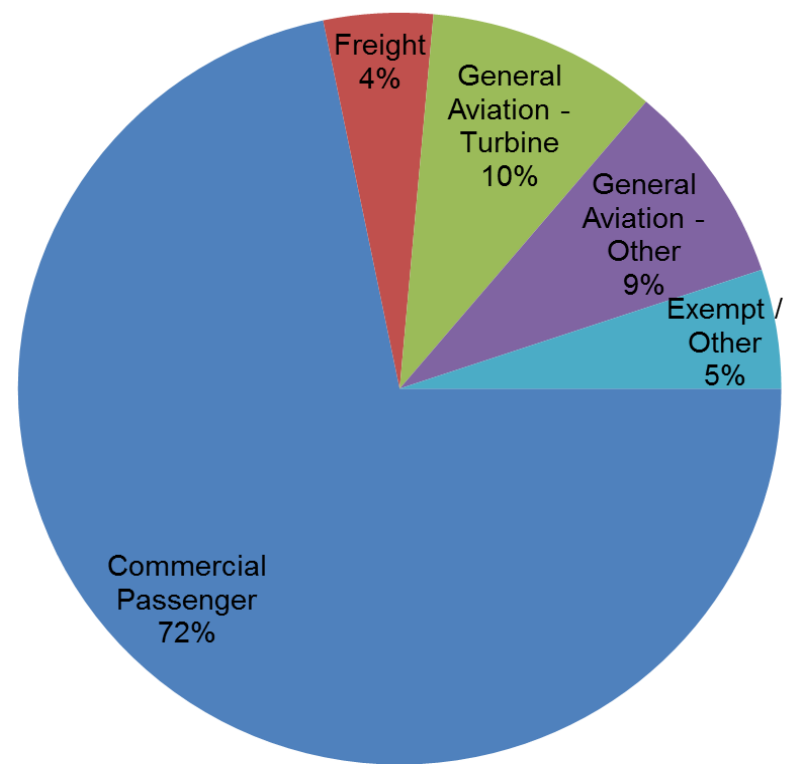


FY13 ETMS Flight Activity by User Group

ETMS Miles in US Airspace



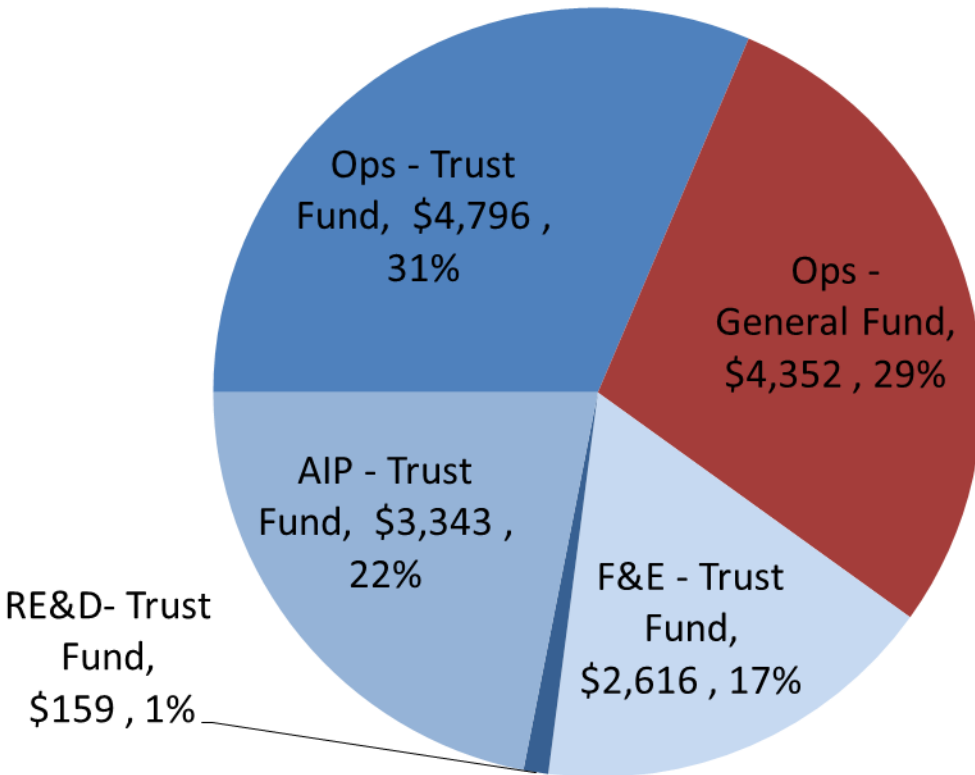
ETMS Hours in US Airspace



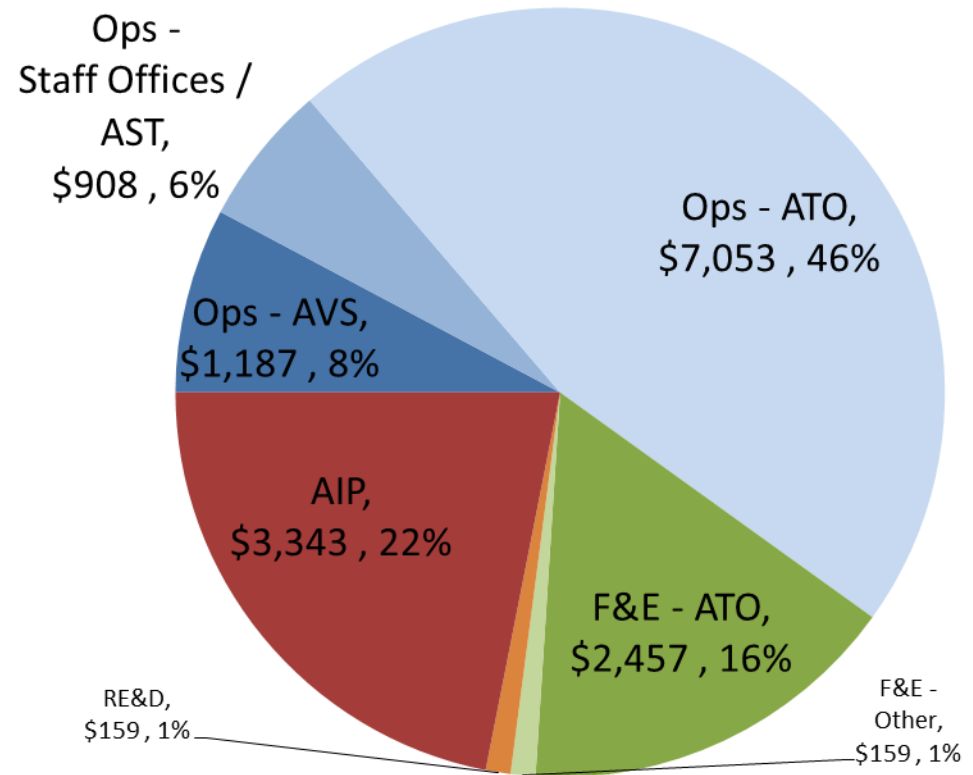
FY13 FAA Budget Breakdown (\$ millions)

Total FY13 FAA Budget = \$15.267 billion

FY13 - FAA Budget by Source



FY13 - FAA Budget by Account



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



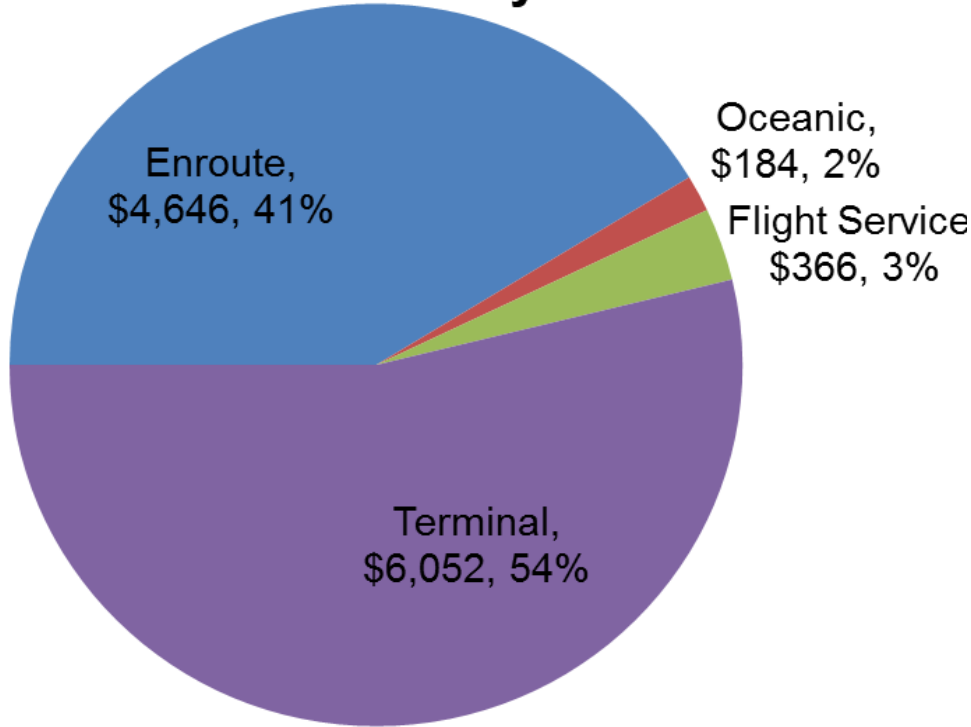
ATO Cost Accounting Overview

- 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

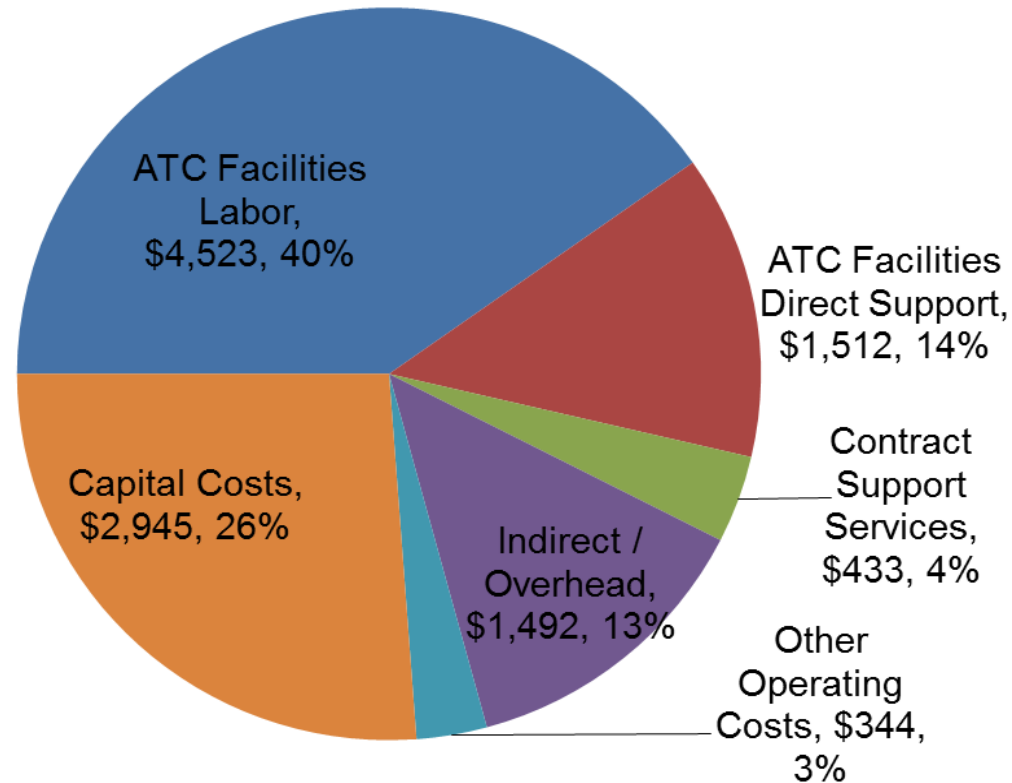
FY13 ATO Cost of Services (\$ millions)

Total FY13 ATO Cost of Services= \$11.248 billion

FY13 CAS Costs by Service



FY13 CAS Costs by Category



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)

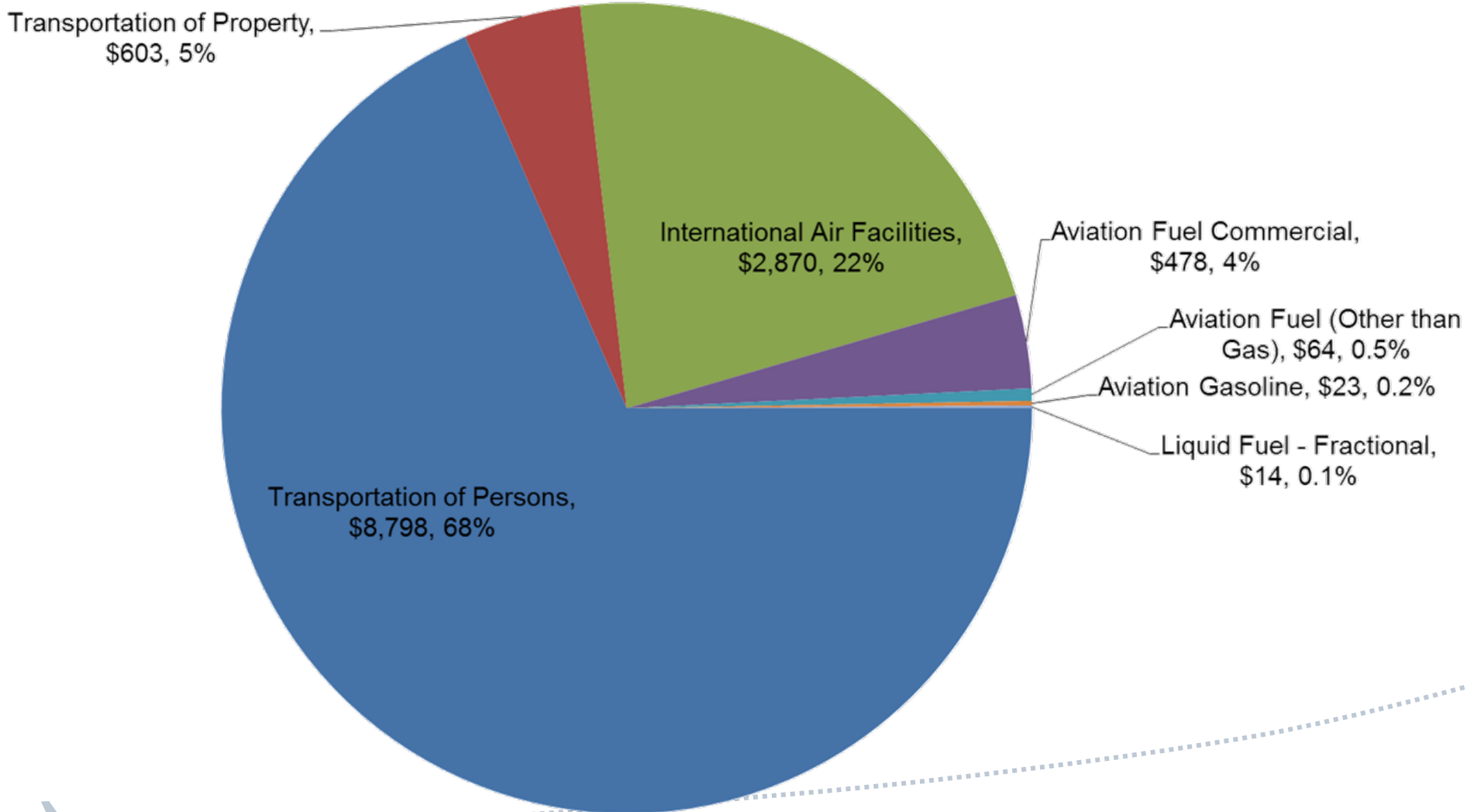
- Taxes collected and reported by IRS include (Calendar Year 2013 rates shown):
 - Transportation of Persons by Air
 - 7.5% domestic ticket tax
 - \$3.90 per domestic passenger flight segment
 - Transportation of Property
 - 6.25% cargo waybill tax on domestic shipments
 - Use of International Air Facilities
 - \$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)



User Fee Drivers vs Current Tax Drivers

- 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

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

