



Oversight of Department of Transportation Programs and Activities

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Before the Appropriations Transportation, Housing and Urban Development, and Related Agencies
Subcommittee
United States House of Representatives

Chair Womack, Ranking Member Quigley, and Members of the Subcommittee:

Thank you for inviting me here today to discuss the Office of Inspector General's (OIG) oversight of Department of Transportation (DOT) programs and activities. The Department's mission is to deliver the world's leading transportation system—a mission that is essential to American prosperity, global competitiveness, national security, and general welfare. In fulfilling this mission, DOT must manage complex and multifaceted challenges that span its oversight of aviation, highways, transit, rail, ports, and more, while also advancing its strategic goals. These goals include improving safety, supporting economic strength, promoting equity and sustainability, fostering transformation, and strengthening organizational excellence.

Our role in providing independent and objective oversight and our mission to promote economy, efficiency, and effectiveness and to detect and prevent fraud, waste, and abuse provide us with a unique perspective regarding the challenges that DOT faces. In particular, the Department is nearly through its third year of implementing the Infrastructure Investment and Jobs Act (IIJA),¹ which authorizes \$660 billion in transportation funding through fiscal year 2026. The volume of IIJA funds, coupled with the creation of new programs and priorities, presents significant management and oversight challenges. At the same time, DOT operates in a dynamic environment marked by technological and societal change, while also facing both new and longstanding safety concerns.

Each year, our office compiles a report on the top management challenges facing the Department of Transportation, as required by the Reports Consolidation Act of 2000.² Our report on DOT's challenges for fiscal year 2025 will be published in early November and will be included in the Department's Annual Financial Report. Today, my testimony is based in general on our recent and ongoing work on the Department's challenges within three major areas: (1) maintaining a strong focus on safety, (2) implementing and overseeing IIJA and other funding, and (3) transforming America's transportation system.

Summary

As always, safety is at the core of DOT's mission, and DOT must approach this mission through data-driven assessments of risk, effective implementation of mitigation strategies, and transparency and public reassurance. In meeting the safety mission, the Federal Aviation Administration (FAA) faces challenges with

¹ Public Law No. (Pub. L. No.) 117-58 (2021).

² Pub. L. No. 106-531 (2000).

overseeing aircraft certification and production as well as preventing and mitigating runway incursions and other safety events. DOT must also assess and implement measures to address surface transportation fatalities and serious injuries, including those caused by vehicle collisions and other mishaps. In addition, the Department is charged with improving and reinforcing the Nation's transportation infrastructure, while ensuring the prudent stewardship of DOT funds, including the \$660 billion authorized through IIJA. As it continues to administer these funds and implement a variety of infrastructure priorities, DOT must focus on oversight that ensures compliance with Federal requirements and prevents fraud, waste, and abuse. DOT has also taken on the ambitious goal of transforming our transportation system to better serve Americans today and in the future. Key challenges include maximizing benefits from airspace modernization efforts, resolving new and longstanding cybersecurity challenges, balancing safety with innovation when integrating new transportation technologies, and promoting workforce excellence.

Maintaining a Strong Focus on Safety Improvements

Fundamental to DOT's mission is its commitment to making the U.S. transportation system the safest in the world. This is an undertaking that requires continuous dedication across transportation modes. Thus, sustaining the Department's attention on aviation safety remains a top priority, including addressing persistent challenges related to aircraft manufactured and operated in the United States and mitigating other safety risks in the Nation's aviation system. Moreover, DOT estimates that nearly 41,000 fatalities resulted from traffic crashes in 2023—highlighting the importance of identifying root causes and implementing safety programs to reduce highway fatalities. Implementing risk-based analysis tools and systems-based oversight will also be critical to enhancing railroad safety.

Enhancing Oversight of Aircraft Certification and Production

Aviation safety is FAA's primary mission. FAA's oversight of passenger aircraft in the United States includes certifying that aviation manufacturers, such as The Boeing Company, meet requirements when producing new aircraft. However, since 2018, several events have prompted significant concerns regarding Boeing's 737 and 787 fleets—the two production lines with the largest number of aircraft on order. These include two fatal accidents in 2018 and 2019 involving the

Boeing 737 MAX 8; the January 5, 2024, incident involving the blowout of a door plug on a 737 MAX 9; and reports of missed manufacturing requirements during the assembly of previously delivered 787 aircraft, resulting in further mandated inspections and delivery pauses. While FAA has taken steps to enhance its certification and safety oversight of U.S.-manufactured airplanes, challenges persist.

First, FAA must continue to strengthen its oversight of the Organization Designation Authorization program. Federal law³ allows FAA to delegate certain certification and production functions to organizations, like Boeing, to determine whether their aircraft models comply with Federal safety regulations. As we have reported, FAA had delegated significant work to Boeing during the original certification of the Boeing 737 MAX. According to FAA managers, this delegation is typical as aircraft systems mature. However, following the first two 737 MAX accidents and multiple delivery delays for the 787, FAA retained the final inspection authority for all 737 MAX and 787 aircraft so that only FAA employees could perform the inspections.

Second, FAA has opportunities to improve its risk assessment processes and corrective action determinations following safety events. We reported last year that FAA's steps following the MAX accidents of 2018 and 2019 adhered to post-event risk assessment processes, which are designed to ensure an acceptable level of safety in every seat on every flight. However, several issues may negatively impact FAA's assessments of future events. These include limitations in the availability of relevant quantitative data to support numerically expressed engineering judgment; the need to keep guidance and risk assessments up-to-date; and a limited ability to assess how pilots recognize and react to non-normal situations. We made seven recommendations for FAA to improve its risk assessment processes. As of September 2024, six of these recommendations remain open.

Finally, the January 2024 door-plug incident has drawn renewed attention to FAA's oversight of the passenger aircraft production process. While Boeing is ultimately responsible for ensuring aircraft conform to the FAA-approved design, concerns about lax oversight are not new. We reported on oversight challenges more than 16 years ago in a 2008 audit report, which found that neither manufacturers nor FAA inspectors had provided effective oversight of suppliers, thereby allowing substandard parts to enter the aviation supply chain. Our office is currently evaluating FAA's oversight of Boeing 737 and 787 production, specifically its processes for identifying and resolving production issues and

³ 49 U.S. Code (U.S.C.) § 44702(d).

addressing allegations of undue pressure within the production environment. We plan to issue our final report and recommendations next month.

Recently, in an effort to enhance its oversight, FAA combined offices overseeing Boeing to promote better internal communication and efficiency. Nevertheless, sustained management attention will be critical to identify and implement further oversight improvements and restore public trust in the certification and production processes.

Diagnosing Root Causes To Prevent and Mitigate Runway Incursions

Runway incursions—incidents involving unauthorized aircraft, vehicles, or people on a runway—have long been a challenge for FAA and the aviation industry. Particularly in 2023, Americans witnessed a series of incidents where aircraft came dangerously close to each other on runways, including most notably an incident in February 2023 at Austin Bergstrom International Airport. FAA has reported a total of eight serious incidents in the first three quarters of fiscal year 2024.

In response to runway safety concerns, FAA held a summit in March 2023 where aviation industry stakeholders discussed the issues surrounding the increases in runway incursions. After the summit, the Agency formed a safety review team to examine the U.S. aerospace system’s structure, culture, processes, systems, and integration of safety efforts. The team issued its report last November, which included 24 recommendations to FAA that addressed areas such as the Agency’s safety organizational structure, controller and technician staffing, infrastructure, technology, and funding structure, while emphasizing the importance of data-driven, risk-based decision making. FAA also issued a Safety Alert for Operators highlighting several focus areas and the need for continued attention to safety risk mitigation and held runway safety meetings at approximately 90 airports last year to create airport-specific Runway Safety Action Plans. The Air Traffic Organization also outlined the steps it was taking to improve air traffic supervisors’ and controllers’ situational awareness and training and to re-examine runway incursion data. Further, to improve safety, FAA has begun to deploy new technologies at airports nationwide, such as the Surface Awareness Initiative, which uses Automatic Dependent Surveillance – Broadcast (ADS-B) data to display surface traffic to controllers at airports that do not have a surface surveillance tool. FAA announced that it had deployed this technology at the Austin, Dallas Love, Nashville, and Indianapolis air traffic control towers this past summer.

As it works to carry out these actions, FAA will also need to oversee the implementation of IJJA-funded projects to mitigate risks at the Nation’s airports

by reconfiguring runway and taxiway intersections, installing runway lighting, and constructing new taxiways. FAA also awarded more than \$200 million to 20 airports across the country in 2023 using multiple sources, including IIJA funds, to fund projects meant to reduce runway incursions.

While examining runway incursion data and assessing technology, infrastructure, and human factors, FAA faces challenges developing mitigation strategies, establishing metrics to measure these strategies' effectiveness, and reassuring the public about the safety of the aviation system. Our office is currently completing an audit to assess FAA's processes for analyzing data and identifying risks associated with runway incursions, as well as FAA's actions for preventing and mitigating runway incursions at primary commercial service airports.

Identifying Root Causes and Implementing Safety Programs To Reduce Surface Transportation Fatalities

DOT estimates that nearly 41,000 fatalities—including over 5,000 large truck and bus fatalities—resulted from traffic crashes in 2023, a 5.2 percent decrease from the high reported in 2021. Still, DOT must identify the root causes of highway-related fatalities and injuries through sustained research, data analysis, and careful coordination with DOT's Operating Administrations, State and local governments, industry, and other stakeholders.

Of paramount importance is ensuring the safety of American roads and highways. To help prevent and minimize crashes and their effects, in January 2022, DOT issued its National Roadway Safety Strategy (NRSS), a collaborative effort among DOT's surface transportation Operating Administrations, States, and industry stakeholders. NRSS challenges, however, include investigating root causes, obtaining quality data, stewarding IIJA safety funding and enforcing regulations, and coordinating with stakeholders to help decision makers broadly understand the range of consequences of safety actions. DOT has since created a dashboard to track progress implementing 43 NRSS priority actions by various modes and has issued 2 annual progress reports on implementing NRSS. Our office is currently conducting an audit to evaluate DOT's implementation of the NRSS.

In addition, both the National Highway Traffic Safety Administration (NHTSA) and the Federal Motor Carrier Safety Administration (FMCSA) can attempt to address roadway fatalities by implementing longstanding recommendations. NHTSA, for example, is challenged to address the significant risk presented by vehicle safety defects by effectively implementing its manufacturer recall online portal, timely notifying owners of defects, and ensuring that its risk-based approach to reviewing recalls is effective. FMCSA's challenges include revising and

implementing its Safety Measurement System and maintaining data quality on motor carriers' safety performance. Addressing these challenges will require quality data, coordination, and oversight of IIJA funding.

DOT's oversight of rail and hazardous materials transportation received increased attention after the February 2023 Norfolk Southern train derailment in East Palestine, OH. The Federal Railroad Administration (FRA) remains challenged to use data-driven, risk-based approaches to effectively address incidents and perform routine rail safety oversight functions, while also closely monitoring railroads' implementation of systems-based oversight and safety programs.

Finally, progress on surface transportation safety may be advanced as DOT stewards infrastructure funding and supports transportation transformation, as will be described further in connection with these topics.

Implementing and Overseeing the Infrastructure Investment and Jobs Act and Other Funding

IIJA authorized about \$660 billion in funding for new and existing DOT programs for fiscal years 2022 through 2026—more than twice the amount in the previous 5-year authorization law. Now nearly through IIJA's third year, DOT continues to administer IIJA funds and oversee other funding, including billions for COVID-19 relief and base programs. DOT must effectively steward these funds by strengthening its oversight of contracts and grants as well as its processes for detecting and preventing fraud, waste, and abuse. Strong oversight will remain critical as the Department works to meet the wide range of priorities and goals for surface transportation funding prescribed through IIJA and other directives.

Strengthening Oversight of Contracts and Grants

IIJA increased DOT funding levels significantly and also increased the numbers of recipients, projects, programs, and requirements that DOT oversees. For example, IIJA funded 15 new discretionary DOT grant programs. In addition to IIJA, DOT continues to oversee billions in funding for COVID-19 relief and base programs. In fiscal year 2023, DOT's contract and grant obligations totaled \$112.3 billion—a 51-percent increase from fiscal year 2019 before the Department received any COVID-19 relief or IIJA appropriations.

Prudent stewardship of contract and grant spending is contingent on DOT awarding funds to achieve best value outcomes and verifying that those funds

are spent appropriately. To achieve such outcomes, DOT must establish sound pricing and use competition to the extent practical when awarding contracts and grant funds. These methods involve developing reasonable cost estimates, conducting price analysis, considering past performance, evaluating grant applicant qualifications and proposed plans, and rationally justifying noncompetitive actions.

However, our work has identified deficiencies in these areas, putting billions in contract and grant funds at risk. For example, in 2016, the Office of the Secretary (OST) approved a grant application with a poorly supported \$140 million railroad safety project cost estimate. Less than 5 years later, the project ended up costing just \$53.8 million—62 percent less than the estimate. The significantly lower actual cost resulted in millions of dollars in unnecessarily held funds that could have been used for other Agency needs.

DOT's contract and grant fund oversight challenges are compounded by new requirements and new technologies. This includes the push to maximize use of services offered and goods, products, and materials produced in the United States. These factors can create uncertainty in labor and product price and supply, and therefore reduce numbers of bidders, hinder cost estimation accuracy, and delay project completion. For example, we recently issued a report describing the Federal Transit Administration's (FTA) challenges overseeing compliance with Buy America rolling stock requirements at the Southeastern Pennsylvania Transportation Authority. If oversight risks and challenges are not mitigated, the value to taxpayers from Department funds may be diminished.

Further, DOT's oversight should not rely exclusively on recipients' self-certifications, but rather, must include steps to verify that awardees use funds appropriately. Such verification includes tracking of fund status, timely deobligation of unused funds, and validation of compliance with funding terms and expense eligibility prior to payment. However, our recent reports have pinpointed weaknesses in DOT's contractor and grantee oversight, resulting in millions of lapsed and inactive funds, unsupported costs, questioned costs, and improper payments. For example, we identified weaknesses in FAA's initial oversight of its Coronavirus Aid, Relief, and Economic Security Act grant funds, which contributed to over \$271 million in unsupported costs, \$85 million in questioned costs, and \$3 million in improper payments.

DOT has also faced challenges in ensuring its grantees are effectively tracing how and where Federal funds are spent, impacting the Department's ability to monitor that grant funds are used appropriately. For example, we reported that DOT's oversight did not ensure that Seattle, WA, met requirements for properly tracing Federal grant funds it received from the Federal Highway Administration (FHWA), FRA, and FTA. Key to tackling these challenges is DOT's ability to secure and train

resources to oversee funds and provide clear direction to contractors and grantees on funding terms and conditions.

Detecting and Preventing Fraud, Waste, and Abuse

Proactively identifying and preventing fraud, waste, and abuse is vital to ensuring that the billions of taxpayer dollars directed to our Nation's transportation system are used appropriately. In particular, the volume and speed at which IJA funds are disbursed puts these funds at a high risk for fraud, waste, and abuse.

Our office has identified several high-risk fraud areas that present detection challenges for DOT. These include collusion among contractors such as bid rigging, efforts to influence pricing on project bids, and price fixing. For example, a North Carolina engineering firm executive was recently sentenced to 18 months of incarceration for conspiring to rig bids and submit false certifications of noncollusion for more than 300 projects. Other high-risk areas include market allocation schemes that include attempts to forge agreements on noncompetition for specific territories, as well as materials fraud involving the delivery of products that are substandard or that fail to comply with domestic content requirements. For example, a Massachusetts construction company agreed to pay \$1 million to resolve allegations that it violated the False Claims Act in connection with the origin of railroad ballast and dirt imported for an FHWA-funded highway project.

In addition, IJA mandates that at least 10 percent of funds should be paid to small businesses owned and controlled by socially and economically disadvantaged individuals. Over the last 5 years, we have investigated 72 allegations of disadvantaged business enterprise (DBE) fraud, resulting in over \$15 million in forfeitures, \$8.9 million in recoveries, \$6.4 million in restitution, over \$1 million in fines, and 13.75 years of incarceration. Strong oversight is needed to ensure that DBEs are actually owned and controlled by disadvantaged persons, that they perform the work rather than act as front companies for ineligible firms, and that their business size meets program standards.

Safeguarding Federal funds also requires that DOT conduct outreach to Operating Administrations, State DOTs, and grantees so that those responsible for fund oversight are aware of possible fraud indicators. Outreach efforts can aid the Department in acquiring data for analyses to better identify fraud. Such data may also help DOT identify patterns to target high-risk areas for investigation and audit. In addition, DOT and its grantees must inform contractors of their responsibilities for preventing, detecting, and reporting fraud.

Further, DOT should enhance its fraud risk management by improving processes for identifying and assessing programs' fraud risks. As we reported in June 2023, by fully incorporating leading practices developed by GAO into its fraud risk assessment processes, DOT can better identify, assess, and prioritize resources to address risks of fraud, waste, and abuse.

Implementing Infrastructure Priorities

Alongside existing funding programs, IJA established infrastructure programs and projects covering roads, bridges, rail, transit, ports, and electric vehicle (EV) charging stations. In all of these, DOT must focus on oversight that ensures compliance with Federal requirements and prevents fraud, waste, and abuse as IJA progresses. For example, FHWA could strengthen its oversight role and guidance to help mitigate potential exposure to risks related to change orders on Federal aid projects. Similarly, in order to maximize the benefits of IJA infrastructure investments, the Department will also need to remain cognizant of the challenges that non-Federal partners face and develop strategies to coordinate with those partners to mitigate risks. For example, State and local governments—often the primary recipients of Federal infrastructure investments—are facing shortages of workers with expertise in important areas, such as auditing, procurement, and acquisitions. And transit agencies that receive IJA and other funding for capital investments also must bear the responsibility of maintaining existing assets in a state of good repair. Other issues that impact State and local agencies—including uncertain construction costs, climate-related resiliency, and changes in user behaviors—also increase risks to DOT's stewardship.

At the same time, the Department is challenged to meet a wide range of priorities and goals for surface transportation funding prescribed through IJA and other directives. These include strengthening American leadership in clean cars and trucks, improving mobility choices, modernizing transportation infrastructure, addressing climate change, advancing equity in its transportation investments, and accomplishing economic objectives. Implementing these priorities involves tradeoffs as stakeholders address surface transportation infrastructure goals. For example, preferences for how to secure supply chains or to contribute to American economic leadership may have unintended outcomes, such as higher costs. Because the challenges of these objectives are immense, the Department must find ways to evaluate tradeoffs and balance priorities and goals that maximize efficiency and achieve long-term effectiveness.

Modernizing and Transforming Our National Transportation System

Alongside its considerable safety and stewardship challenges, DOT is also responsible for ambitious goals related to transforming our transportation system to better serve Americans today and in the future. Key tasks include managing and modernizing our National Airspace System (NAS) as well as resolving new and longstanding cybersecurity challenges to protect vital information systems. In addition, DOT will need to act thoughtfully to mitigate safety risks while still enabling innovation and its potential benefits to safety and progress in numerous arenas—including autonomous and EVs, commercial space operations, Advanced Air Mobility (AAM) aircraft,⁴ and Unmanned Aircraft Systems (UAS). Meeting the Department’s many goals also requires a fundamental commitment to organizational excellence.

Modernizing the National Airspace System and Safeguarding IT Infrastructure

Since 2006, our office and others have identified a number of challenges for implementing FAA’s Next Generation Air Transportation System (NextGen), a multibillion-dollar infrastructure project aimed at modernizing our Nation’s aging air traffic system to provide safer and more efficient air traffic management. The FAA Reauthorization Act of 2024⁵ mandates that FAA operationalize all key NextGen programs by the end of calendar year 2025. However, implementation challenges, cost overruns, program changes, and pandemic-related restrictions have resulted in delayed and curtailed programs.

For example, many benefits are expected from the Terminal Flight Data Manager (TFDM)—an automation tool for controllers to move aircraft between airport gates and runways more efficiently. However, FAA has reduced the total number of deployment sites by almost half and delayed TFDM’s full deployment until 2030, which will delay planned benefits for airspace users. Although FAA significantly reduced the program’s scope, the Agency retained the large deployment sites that are expected to provide over 90 percent of the original anticipated monetized benefits. We recently made three recommendations to

⁴ Advanced Air Mobility (AAM) is an umbrella term for aircraft that are likely highly automated and electric, often referred to as electric Vertical Takeoff and Landing (eVTOL) aircraft.

⁵ Pub. L. No. 118-63 (2024).

improve FAA's TFDM program. In addition, technical problems, delays, and unanticipated changes to NextGen programs and other systems have challenged the resilience of NAS operations and increased sustainment costs for FAA. For example, an outage in FAA's Notice to Air Missions system, which combines a newer system with a 20-year-old system, caused a nationwide ground stop and thousands of flight delays in 2023.

At the same time, FAA, and DOT as a whole, continue to face longstanding challenges mitigating weaknesses in DOT's cybersecurity program and securing its over 400 IT systems. We have identified numerous weaknesses that may allow attackers to gain control of certain systems, launch denial-of-service attacks, or gain access to mission-critical systems and sensitive data. For example, in our 2024 review of DOT's compliance with the Federal Information Security Modernization Act, we found that the Agency's information systems continue to face high-risk security vulnerabilities, including outdated security patches, faulty configuration settings, and unsupported software that place the Department's systems at risk for compromise.

DOT also continues to face challenges addressing the root causes of recurring security weaknesses, due in part to incomplete adherence to plans of action and milestones and management processes. We have previously recommended that the Department develop a comprehensive, multi-year strategy, complete with milestones and resource commitments, to address longstanding weaknesses. We also recently reported that DOT faces challenges in identifying its high-value assets—information systems to which unauthorized access could significantly impact U.S. national security—and addressing shortcomings in its assessment and remediation process for these assets. As it works to mitigate these and other weaknesses, DOT must also implement new and existing Federal information security requirements and priorities, including moving toward a zero-trust architecture.

Balancing Safety and Innovation With Emerging Transportation Technologies

New technologies are poised to affect every sector of the U.S. transportation system and shape America's future economic prosperity, industry competitiveness, national security, and safety. DOT adopted the strategic goal of transformation to design for the future and invest in research and innovation to meet present challenges, modernize the transportation system in ways that advance DOT's mission, and serve Americans today and in the future. In this role, coupled with its commitment to safety, DOT faces considerable management and oversight challenges. These include advancing DOT's innovation principles; facilitating the safe progress of automated driving systems; implementing the

national EV program; and safely integrating commercial space operations, AAM aircraft, and UAS into the NAS.

DOT announced six innovation principles in 2022 to support its transformation goals. These include serving key public policy priorities, helping America win the 21st century, supporting workers, overcoming risk-aversion to allow for experimentation and learn from setbacks, collaborating with the private and academic sectors, and allowing for flexibility and adaptation. To advance these principles, DOT needs to cultivate coordination between Federal, State, and local governments and private companies in both traditional and new transportation endeavors. For example, pursuant to IJJA, DOT and the Department of Energy established the Joint Office of Energy and Transportation with the initial tasks of planning and developing a nationwide network of zero-emission refueling infrastructure, including EV chargers and other infrastructure to be built by States and other grant recipients.

Moreover, to oversee the integration of vehicle automation and EVs, DOT must understand the ways in which these technologies can advance overall safety and other DOT priorities, while limiting unintended negative safety impacts. Key steps will include comprehensively identifying data collection needs; seeking access to the required information to support credible analyses of safety impacts of automation integration; and evaluating post-incident and crash data as well as system-wide data to assess trends and identify risks. The Department faces challenges in developing standards, testing new tools, examining infrastructure requirements, and assessing impacts of new technologies and managing the public's understanding of the relationship between such technologies and DOT priorities.

Meanwhile, supporting innovation in the NAS requires the safe integration of commercial space operations, AAM aircraft, and UAS. As of August 14, 2024, there have been 126 licensed commercial space operations in fiscal year 2024—more than triple the number in 2020. While FAA has deployed a prototype system for monitoring commercial space operations and implemented procedures to reduce the time these operations impact NAS airspace, the Agency still faces challenges to efficiently integrate these operations, and a final investment decision on a successor system to the prototype has been postponed until late 2027. Further, regulatory, management, and communication issues have slowed certification efforts for AAM aircraft. FAA's regulations are still intended primarily for traditional small aircraft, and novel technologies do not readily fit into FAA's existing airworthiness standards. FAA also faces challenges in areas such as AAM airspace management and infrastructure requirements.

With regards to overseeing and advancing UAS, FAA completed a 3-year Integration Pilot Program and is now nearly 4 years into the follow-on program BEYOND. Nevertheless, the Agency is still working on establishing new

regulations to integrate complex UAS operations. In the meantime, FAA has been granting an increasing number of waivers to operate UAS beyond visual line-of-sight (BVLOS) for purposes including utility inspections, package delivery, and testing detect and avoid technology. FAA also recently used its new Near-Term Approval Process to permit the first offerings of UAS Traffic Management services, which coordinate and deconflict drone operations in low-altitude airspace. However, the Agency is continuing to work toward standard rules to make BVLOS operations routine, scalable, and economically viable. Our office is conducting an audit to assess FAA's efforts to advance BVLOS drone operations beyond the parameters of existing drone regulations.

Promoting Workforce Excellence

Meeting the Department's diverse goals requires a fundamental commitment to organizational excellence. DOT, including FAA, currently employs approximately 55,000 personnel. However, for DOT to meet its missions, it must address a number of workforce challenges. Our work and others have identified significant staffing shortages and challenges in multiple areas, including:

- **IJA implementation.** The Department has set a goal of 2,194 new hires to respond to identified IJA-related needs. Approximately 1,600 of these employees would be in surface transportation Operating Administrations. DOT has reported that it has hired over 1,300 of these personnel, with the largest numbers of new employees joining FRA and OST. By the end of the year, we will be issuing an audit report on the surface transportation Operating Administrations' processes for identifying positions needed to implement IJA-funded programs. We will also report on DOT's progress addressing identified IJA staffing needs at surface transportation Operating Administrations.
- **Air traffic control facilities.** Last year, we reported that 20 of the Nation's 26 critical—and busiest—air traffic control facilities were staffed below the Agency's threshold of 85 percent as of March 2022. Staffing challenges have led to reduced air traffic operations in some circumstances. For example, Jacksonville Center experienced over 300 staffing triggers, an action taken by FAA to reduce the amount of air traffic in the affected air space due to staffing constraints, which could lead to flight delays. The time for controllers to become fully certified, which is typically several years, also increased during the COVID-19 pandemic. Earlier this year, FAA announced a program to approve college controller training programs so that graduates of such programs may begin training in an air traffic facility without attending the FAA academy.

- **Air traffic facility maintenance.** To support the safety and efficiency of the NAS, FAA's nearly 5,000 technicians maintain roughly 74,000 pieces of equipment, including for communications, surveillance, and navigation, at approximately 400 facilities nationwide. However, FAA develops training and hiring targets only 1 year in advance and does not track data to help identify technician training and hiring needs.
- **Contract administration.** The Department relies on contractors to support its mission but faces challenges ensuring its personnel effectively administer contracts. For example, we found that untimely awards of IT contracts could occur, in part, because DOT's contracting staff have large workloads and lack the necessary knowledge to administer IT contracts effectively.

Further, DOT must achieve its disparate missions—including safety, consumer protection, financial oversight, and innovation—with more staff working remotely than in the past. Given the vast scope of its programs and authorities, DOT must cultivate data-driven approaches for its decision making and oversight efforts to be effective in achieving the Department's goals. A key challenge will be the use of data to track and measure the impact of personnel policies and procedures on employee engagement, mission delivery, and outcomes.

Conclusion

The U.S. transportation system is at the heart of national prosperity, national security, and national identity and central to our daily lives. In recent years, DOT has made important progress to address its top priority of transportation safety and maximize its investments to maintain and modernize our transportation infrastructure. Nevertheless, the Department faces both new and longstanding management challenges that impact its efforts to meet its strategic goals and mission.

As always, we remain committed to supporting the Department's efforts to improve safety, enhance efficiency, and prepare for the future of transportation. We appreciate the Department's commitment to prompt action in response to the challenges we have identified.

This concludes my prepared statement. I appreciate this Subcommittee's continued interest in our mission and work and will be happy to answer any questions you or other Members of the Subcommittee may have.

U.S. Department of Transportation
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