Will FAA Spending on NextGen to Remain Strong through 2020?

Posted At : April 2, 2013 8:50 AM | Posted By : Alex Rossino

Related Categories: Technology Trends, NextGeneration Air Transportation System, Cloud Computing, Federal Aviation Administration (FAA), Emerging Technologies

A few weeks ago the U.S. Government Accountability Office (GAO) published a report entitled *Department of Transportation: Key Issues and Management Challenges, 2013*. This report examined challenges the DOT is facing when it comes to "leveraging investment in surface transportation networks to meet national goals and priorities." Being a market analyst focused on federal IT I read through the report seeking insight into department pain points and future technology needs. This was time well spent, because I hit pay dirt. Check out this doozy of a revelation on page 19 - the Federal Aviation Administration's "NextGen modeling indicates that **even if all ongoing and planned NextGen technologies are implemented**, 14 airports—including some of the 35 busiest—may not be able to meet the projected increases in demand."

Among these 14 airports could be found Newark International, LaGuardia, and Philadelphia, or, in other words, major airports serving major population centers. A look through DOT line items in the fiscal 2013 Exhibit 53 shows that spending related to the FAA's Next Generation Air Transportation System is expected to make up $2.2 billion of the DOT's $3.1 billion IT budget in FY 13 alone. Spending on this level is not an aberration either. Every year an overwhelming majority of the DOT's IT dollars are dedicated to NextGen related investments.

The results of the FAA's NextGen modeling suggest a significant amount of IT dollars will continue flowing into NextGen related procurements for at least the next decade. In today's climate of shrinking IT budgets, this revelation is akin to discovering an unexpected oasis in a desert. The question is figuring out where these dollars will materialize. The GAO report does not provide any clues so those of us looking in from the outside are left to speculate about potential investments. In my opinion, two general possibilities present themselves at this time.

First, current contracts supporting NextGen investments could be extended and/or scope increased to provide the extra capacity. By my count there are more than 30 currently active contracts related to NextGen components expiring between September 2014 and October 2018. Still others expire up to 2020. Competing for the follow-ons to these contracts (assuming follow-ons are planned) is a no-brainer.

Second, the FAA may choose to compete brand new contracts for NextGen requirements. The $64,000 question at this point is will the FAA leverage cloud computing for its needs? Publicly, the FAA's progress toward the cloud has been slow. Behind the scenes, however, it is beginning to look like the agency is growing more comfortable with using cloud-based solutions. For example, Noblis has been providing cloud computing support for the FAA's System-Wide Information Management (SWIM) program since June 2012. That order was awarded via Enterprise Communications Support Services (ECSS) contract # DTFAWA11D00051. More recently the FAA Office of Airports awarded a contract to L-3 Services (a subsidiary of L-3 Communications) for its **System of Airports Reporting (SOAR) II** requirement. Section 4.2.3 of the Statement of Work called specifically for the awardee to complete an assessment of a potential cloud computing solution for SOAR II. Strictly speaking, SOAR II is not a NextGen system, but because it interfaces with NextGen systems I am wondering how long it will be before a lot more Market Surveys calling for NextGen related cloud solutions start appearing on **FedBizOpps.gov**.

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