



**FAA**

Report AV2026022  
March 24, 2026

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## FAA Took Action To Improve Monitoring and Increase Staffing Levels at Contract Towers, but Staffing Shortages Remain



# Highlights

## FAA Took Action To Improve Monitoring and Increase Staffing Levels at Contract Towers, but Staffing Shortages Remain

Mandated by Section 605 of the FAA Reauthorization Act of 2024

### Our Objective(s)

To assess FAA's actions to (1) improve its monitoring of controller staffing levels at contract towers and (2) evaluate training requirements and other factors that may impact staffing at contract towers.

### Why This Audit?

FAA's Contract Tower (FCT) Program consists of 266 contract towers staffed by over 1,500 controllers. Section 605 of the FAA Reauthorization Act of 2024 mandates our office to examine the adequacy of staffing levels, the supply and demand of trained and certificated personnel, and FAA's efforts to allow contractors to conduct initial and on-the-job air traffic controller training to candidates that do not have prior air traffic control experience.

### What We Found

FAA restructured the FCT Program to improve monitoring of staffing levels at contract towers, but its processes for validating staffing data still have weaknesses.

- FAA reorganized the FCT Program's administration to delegate responsibility for monitoring staffing levels.
- FAA updated contractual requirements for contract towers that fall below their full performance level and for towers that are not operational due to staffing.
- FAA updated its processes for tracking contractors' full performance levels, storing documents, identifying and tracking when a contract tower is not operational, and conducting quarterly reviews.
- However, FAA still faces challenges validating controller staffing data provided by contractors.

FAA altered training requirements to expand the controller hiring pool, but challenges remain to maintain adequate staffing levels at contract towers.

- FAA took steps to expand the controller hiring pool and streamline training requirements for entry-level controllers.
- However, these efforts have not improved staffing, as the FCT Program remained understaffed by roughly 18 percent as of April 2025.
- Controller attrition and stagnant wage rates continue to impact staffing levels at contract towers.



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**Recommendations** to improve FAA's monitoring of controller staffing levels and boost controller staffing at contract towers. *(p. 21)*

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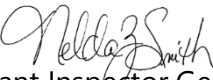
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## Memorandum

Date: March 24, 2026

Subject: ACTION: FAA Took Action To Improve Monitoring and Increase Staffing Levels at Contract Towers, but Staffing Shortages Remain | Report No. AV2026022

From: Nelda Z. Smith   
Principal Assistant Inspector General for Auditing and Evaluation

To: Federal Aviation Administrator

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The Federal Aviation Administration’s (FAA) Contract Tower (FCT) Program<sup>1</sup> consists of 266<sup>2</sup> contract towers—259 operated by 4 contractors and 7 operated under interagency agreements with the Army and Air National Guard—in 46 States and territories.<sup>3</sup> Contract towers, which represent 50 percent of the air traffic control (ATC) towers in the National Airspace System (NAS), are staffed by over 1,500 controllers. In calendar year 2024, contract towers handled more than 18 million (30 percent) of all tower operations.<sup>4</sup>

Section 605 of the FAA Reauthorization Act of 2024<sup>5</sup> mandated that the Department of Transportation (DOT) Office of Inspector General (OIG) examine the FCT Program’s workforce needs. Specifically, the Act required DOT-OIG to evaluate FAA’s actions to assess the adequacy of controller staffing levels at contract towers. The Act also required DOT-OIG to evaluate the supply and demand of trained and certificated personnel available to the program and FAA’s efforts to streamline training requirements for entry-level controllers that do not have prior ATC experience. Accordingly, our objectives were to assess FAA’s actions to (1) improve its monitoring of controller staffing levels at contract towers and (2) evaluate training requirements and other factors that may impact staffing at contract towers.

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<sup>1</sup> See 49 U.S. Code § 47124.

<sup>2</sup> Effective September 30, 2025, FAA added the 266th contract tower to the FCT Program. However, we excluded this new tower and the seven towers operated by the Air National Guard from our universe.

<sup>3</sup> The FCT Program operates contract towers in Guam, Puerto Rico, Saipan, and the U.S. Virgin Islands.

<sup>4</sup> Tower operations encompass all takeoffs and landings at an airport, along with other aircraft movements handled by the air traffic control tower and include overflights.

<sup>5</sup> Public Law Number (Pub. L. No.) 118-63 (2024).

We conducted this audit in accordance with generally accepted Government auditing standards. Exhibit A details our scope and methodology. Exhibit B lists the organizations we visited or contacted, and exhibit C lists the acronyms used in this report.

We appreciate the courtesies and cooperation of DOT representatives during this audit. If you have any questions concerning this report, please contact me or Jay Borwankar, Program Director.

cc: The Secretary  
DOT Audit Liaison, M-1  
FAA Audit Liaison, AAE-001

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## Background

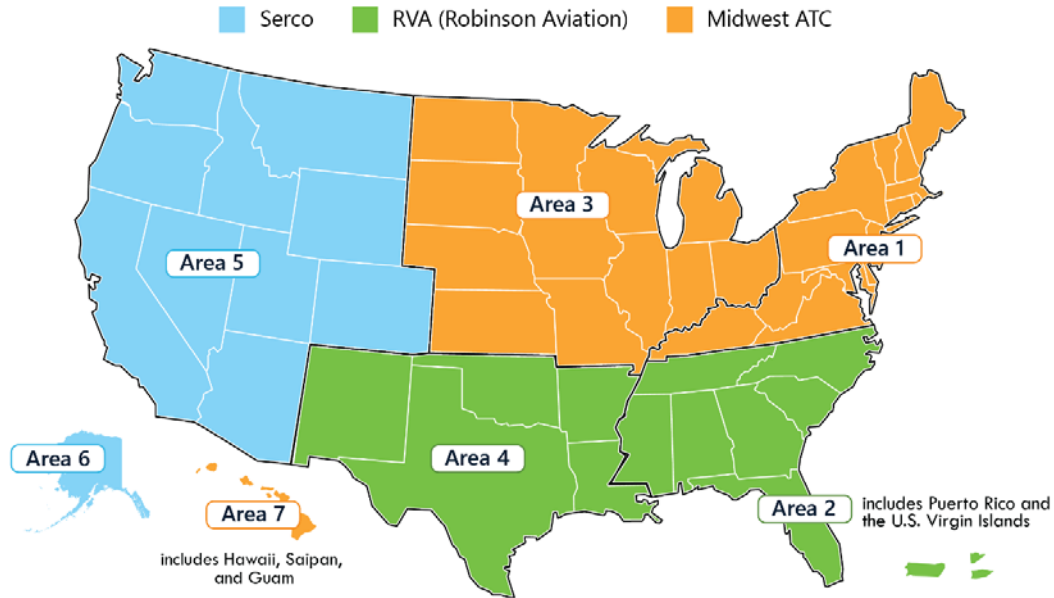
In 1982, FAA established the FCT Program to contract out the operation of low-activity towers. Contract towers are air traffic control towers that are staffed by private companies rather than FAA. In April 2015, FAA awarded seven firm-fixed price contracts<sup>6</sup>—one for each contract area—to three contractors: Midwest Air Traffic Control Service, Inc.; Robinson Aviation (RVA), Inc.; and Serco, Inc. In November 2024, FAA awarded 10 new contracts to 4 contractors valued at about \$1.5 billion. These contracts have a period of performance of 7 years—1 base year followed by 6 1-year options—and cover 10 contract areas. FAA awarded 9 of the 10 contracts to the 3 returning contractors. The Agency set aside and awarded the tenth contract to a small business, CI<sup>2</sup> Aviation, Inc., who has been a subcontractor in the FCT Program since 1999. The figure below illustrates the changes to the FCT Program’s contract areas between 2015 and 2024.

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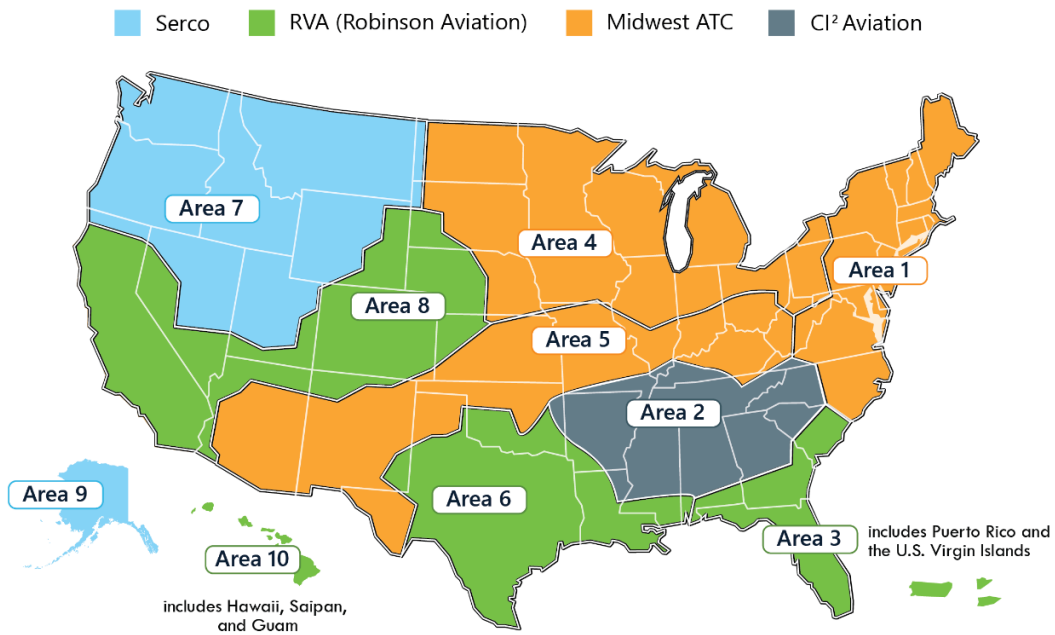
<sup>6</sup> A firm-fixed price contract provides for a price that is not subject to any adjustment based on the contractor’s costs in performing the contract; however, the FCT contracts are subject to price adjustments based on the Service Contract Act and Fair Labor Standards Act.

# Changes to the FCT Program's Contract Areas Between 2015 and 2024

## Contract Areas Under the 2015 Contract



## Contract Areas Under the 2024 Contract



Source: OIG analysis of FAA data.

Contractors submit staffing plans and sample work schedules for each tower during the contract solicitation process. FAA reviews and approves staffing levels the contractors submit before the Agency makes its source selection decision. FAA awards the contracts according to best value, defined as the proposal that gives the Agency the most advantageous solution, based on its evaluation of technical capabilities, price, and other factors. After contract award, the FCT contractors are required to provide staffing for each tower in accordance with their Agency-approved staffing plans.

Since 1998, DOT-OIG has performed several audits evaluating the FCT Program. Most recently, in 2021, we reported that FAA relies on contractors to establish and modify controller staffing levels at contract towers, which limits the Agency's ability to identify staffing needs.<sup>7</sup> We also found that FAA requires a program-wide controller staffing minimum of four for each tower. However, this minimum was not based on any Agency analysis or study, and FAA did not adequately monitor contractor compliance with this requirement. FAA also did not provide evidence that it had conducted reviews of contractor performance relative to the labor hours stated in the approved staffing plans. We made four recommendations to FAA to develop policies and procedures that would enable them to better track staffing levels and monitor compliance with contractual requirements. We also made a recommendation to FAA to recover any overpayments to contractors. To date, FAA has recovered overpayments to FCT contractors of more than \$3.6 million.

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## FAA Restructured the FCT Program To Improve Monitoring of Staffing Levels at Contract Towers, but Its Processes for Validating Staffing Data Still Have Weaknesses

FAA reorganized the administration of the FCT Program to delegate the responsibility for managing and overseeing the program among multiple people. The Agency updated the contract requirements for contractors that do not meet the full performance levels and added a new requirement for ATC-Zero events.<sup>8</sup> FAA also updated its processes for monitoring controller staffing levels; however,

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<sup>7</sup> *FAA's Approach for Establishing and Modifying Air Traffic Controller Staffing Levels Needs Improvement To Properly Identify Staffing Needs at Contract Towers* (OIG Report No. AV-2021-035), August 18, 2021. OIG reports are available on our website: <https://www.oig.dot.gov/>.

<sup>8</sup> ATC-Zero is an official term FAA uses when an air traffic control facility is unable to provide its published ATC services. ATC-Zero events result from multiple factors including equipment failures, power, and staffing.

its processes for tracking and validating staffing level data continue to have weaknesses.

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## FAA Reorganized the FCT Program's Administration and Revised Contractual Requirements Related to Controller Staffing Levels

FAA established a new leadership team to manage and oversee the program. Additionally, the Agency updated contractual requirements for contract towers that fall below their full performance level and added a new requirement for contract towers that are not operational due to staffing.

### FAA Reorganized the FCT Program's Administration To Delegate Responsibility for Monitoring Staffing Levels

Until 2024, Air Traffic Services (AJT), which falls under the FAA's Air Traffic Organization (AJO), oversaw the FCT Program Office. Under AJT, an FCT program manager administered the FCT Program, oversaw the FCT Program Office, and supervised the FCT Program Office staff comprised of multiple subject matter experts (SMEs) and financial and program analysts. The FCT program manager also served as the program's contracting officer representative (COR).<sup>9</sup> The SMEs and analysts performed various functions, including monitoring staffing levels and ATC-Zero events at contract towers and ensuring compliance with contract requirements.

In June 2024, FAA's AJO transitioned the FCT Program Office from AJT to its Program Management Organization (AJM). According to a senior AJM official, AJO did this to improve the management and oversight of the FCT contracts and to hold contractors accountable for compliance with contractual requirements. As part of the reorganization, AJM established a new FCT leadership team within the FCT Program Office to manage and oversee the program. The FCT leadership team is comprised of a group manager, a business lead, and an FCT program manager. The group manager has broad oversight responsibilities, including overseeing the business lead, the FCT program manager, and the FCT Program Office staff. The business lead works with an acquisition lead and a financial lead to handle all budget formulations for the program and correspond with outside entities, such as OIG. The FCT program manager oversees an operational lead

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<sup>9</sup> A COR assists with monitoring a contractor's performance, ensuring that the contractor meets the requirements of the contract, and providing technical expertise.

and two CORs to identify and address staffing needs at contract towers and consider the need for contract modifications.

The FCT Program Office also includes two part-time AJT liaisons. The AJT liaisons work with the FCT Program Office to review contractors' staffing change requests and recommend changes, if warranted, to the contracting officer.<sup>10</sup> Through the reorganization, FAA shifted the management and oversight responsibilities for the FCT Program from one individual—the FCT program manager—to the FCT leadership team. By restructuring the FCT Program and investing additional management and oversight resources to administer the program, the Agency may be better positioned to effectively monitor contractor performance and ensure compliance with contractual requirements.

### **FAA Updated Contractual Requirements Related to Controller Staffing Levels at Contract Towers**

Each FCT contract includes a statement of work that, among other things, defines the nature and scope of covered contract services and establishes staffing requirements at each control tower. It also includes a requirement to notify FAA of any ATC service interruptions. Furthermore, FAA's Acquisition Management System (AMS) policy manual<sup>11</sup> governs the Agency's contract administration responsibilities, which includes issuing contract modifications, monitoring contract deliverables, and reviewing contractor invoices for payment.<sup>12</sup> The AMS policy manual also establishes that the terms and conditions of the contract should guide the performance of these tasks.<sup>13</sup> The FCT Program Office is responsible for monitoring contractor performance and ensuring compliance with AMS requirements.

**Performance Level Requirement.** FCT contracts hold contractors accountable if they fail to adhere to the full performance level.<sup>14</sup> In previous contracts, the contractor was required to provide actual labor hours that were within 98 to 102 percent of the full performance level. At the end of each fiscal year, FAA was required to recoup overpayments from contractors whose controllers worked less than 98 percent of the actual hours listed in the contract. During our 2021 audit, FAA officials stated that they measured performance levels on a total contract

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<sup>10</sup> The contracting officer, who works in FAA's Office of Finance and Management, has specific and sole authority for executing, modifying, or terminating contracts.

<sup>11</sup> The AMS governs FAA's acquisition process, including its contracting practices. The AMS policy was last updated in April 2025.

<sup>12</sup> AMS 3.10.1.1.

<sup>13</sup> AMS 3.10.1.2.

<sup>14</sup> The full performance level is defined as actual hours worked, not including vacation, holiday, and sick leave, to satisfy 100 percent of the hours outlined in the staffing plans in the awarded contract.

basis. Therefore, the performance levels for all towers within each contract were aggregated and averaged together.

The current contracts include an updated performance level requirement. The requirement states that FAA will make a downward price adjustment at the end of the contract year when the contractor does not meet the full performance level at an FCT location by 5 percent or more. As a result, contractors will now be required to provide actual labor hours that are within 95 percent of the full performance levels outlined in the FAA-approved staffing plans for each individual tower. The full performance levels are measured for every individual contract tower covered under an FCT contract. Additionally, FAA is required to recoup overpayments from contractors for each individual contract tower covered under their contract that operated below 95 percent of their full performance level.

The updated requirement allows FAA to monitor the full performance level (i.e., actual labor hours worked) and identify performance level discrepancies at each individual tower instead of in aggregate for all towers covered by a contract. However, three of the four current contractors told us that evaluating each individual tower's performance against their full performance levels will limit their ability to respond to staffing shortages. To address staffing shortages, contractors may temporarily move controllers from one tower to another. According to the contractors, moving controllers to improve staffing at one tower increases the risk of staffing shortfalls at other towers and could lead to contractors not meeting performance level requirements and potentially incurring downward price adjustments.

**ATC-Zero Reporting Requirement.** ATC-Zero events occur when an air traffic control facility is not operational and unable to provide published ATC services. The current contracts prescribe a new price adjustment for ATC-Zero events caused by staffing that are over 59 minutes. Furthermore, the contract requires that any additional time beyond an hour that a contract tower is not operational be rounded up to the next hour.<sup>15</sup> For example, if a tower is non-operational for 1 hour and 5 minutes, the contractor's price adjustment would be rounded up to 2 hours. The FCT contracts stipulate that FAA will perform price adjustments for ATC-Zero events on a quarterly basis by adjusting the amount owed to contractors for services provided in the next monthly invoice. Between February 1, 2025, and May 31, 2025, DOT-OIG identified 334 ATC-Zero events due to staffing. Of those, 269 events (roughly 81 percent) exceeded the 59-minute threshold and were therefore subject to a price adjustment. As of July 2025, FAA

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<sup>15</sup> Any ATC-Zero events due to staffing that are 59 minutes or shorter are not subject to a price adjustment.

estimated that the Agency will assess price adjustments totaling about \$175,000 among the four contractors for these ATC-Zero events.

One FCT contractor noted that rounding up ATC-Zero events to the next hour creates disincentives for contractors to return impacted towers to being fully operational as expeditiously as possible. According to this contractor, if they are already being penalized for 2 hours, there is no benefit for them to return the tower to fully operational after 1 hour and 5 minutes when the actual ATC-Zero event ends. However, price adjustments for ATC-Zero events caused by staffing allow FAA to hold contractors accountable for providing the air traffic control services prescribed in their contracts.

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## **FAA Updated Its Processes for Tracking Controller Staffing Levels but Still Faces Challenges in Validating Staffing Data**

FAA updated its processes for tracking contractors' full performance levels, recovering overpayments, storing documents, identifying and tracking ATC-Zero events, and conducting quarterly reviews with each contractor. However, FAA's processes for validating controller staffing levels data continue to have weaknesses.

### **FAA Updated Its Processes for Tracking Controller Staffing Levels**

Our 2021 audit of the FCT Program found that FAA did not adequately monitor contractor compliance with full performance levels at contract towers. We recommended that FAA develop a process to ensure that contractors comply with the full performance levels established in their contracts and to recover any overpayments resulting from understaffing.

In April 2025, in response to our recommendations, AJM developed a new Standard Operating Procedure (SOP) to monitor that contractors are meeting the full performance levels in their contracts and make price adjustments as needed. Specifically, the current contracts require each FCT contractor to submit a Monthly Area Facility Report (MAFR) to the FCT Program Office and FAA's contracting officer by the tenth business day of every month. The MAFR includes information such as the number of authorized, on-board, and facility-rated employees, as well as the number of full-time equivalent (FTE) employees and total hours worked at each tower for the month. Additionally, the SOP clarifies how the FCT Program Office should use the information in the MAFR to identify and track missed full performance levels and calculate the resulting price adjustments.

Before AJM took over the FCT Program's administration in 2024, FAA did not have a record management process for MAFRs submitted to the FCT Program Office and FAA's contracting officer. As a result, when we requested past MAFRs, it took the FCT Program Office several months to recover and provide them to us. To improve file management and data recovery, AJM created a centralized repository on FAA's Knowledge Services Network (KSN)<sup>16</sup> to systematically collect and store contractors' MAFRs. The KSN site went live on July 1, 2025, and contractors now upload their MAFRs directly to the site.

Additionally, the 2024 FCT contracts introduced a requirement for FCT contractors to report ATC-Zero events caused by staffing. The SOP clarifies how the FCT Program Office should identify and track ATC-Zero events and calculate price adjustments stemming from qualifying ATC-Zero events.

The contracts also established a new requirement for FAA to conduct a Quarterly Program Review (QPR) with each contractor. During QPRs, contractors are required to discuss their quarterly and year-to-date performance and ATC-Zero metrics of air traffic services provided, as well as staffing levels. FAA conducted the first round of QPR meetings between late May and early June, roughly 3 months after the new contracts went into effect on February 1, 2025.<sup>17</sup> Establishing the KSN site and conducting the QPR meetings are expected to increase communication between FAA and contractors on FCT staffing levels.

### **FAA's Processes for Validating Controller Staffing Levels Data Still Have Weaknesses**

**Spreadsheets.** When AJT oversaw the FCT Program Office, its staff manually updated the approved and actual staffing levels from the MAFRs to a spreadsheet to identify any staffing shortfalls each month.

When we analyzed the data in the spreadsheet between July 2021 and May 2024, the spreadsheet was missing staffing data and contained inaccurate data. For example, the spreadsheet was missing data for one tower for a 12-month period between July 2021 and June 2022. Additionally, the spreadsheet was missing actual staffing data for all contract towers for June 2022, presumably preventing the FCT Program Office from identifying potential shortfalls during that month. We also found over 1,000 instances where the staffing levels in the spreadsheet did not match the actual staffing levels in contractors' MAFRs. Although the exact cause for these discrepancies is unknown, they were likely due to human error. Overall, the data in the spreadsheet was neither complete nor reliable and

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<sup>16</sup> KSN is an enterprise-level service that allows users to design, build, and manage their own collaborative work sites using SharePoint.

<sup>17</sup> The contracts for five control towers in contract area 8 did not go into effect until April 1, 2025.

presumably hindered the Agency's ability to effectively track staffing levels and shortfalls.

When the new contracts went into effect in February 2025, the FCT Program Office (which is now under AJM control) developed a standardized MAFR template to collect staffing and other data from contractors. The FCT Program Office updated the template to collect additional information, such as the hours worked to date at each contract tower. The FCT Program Office uses this information to track contractors' performance levels. The new template also includes a worksheet to document all ATC-Zero events, including those that result in price adjustments. The contractors submit one MAFR each month for every contract that was awarded to them. FAA's new MAFR template should result in contractors providing more consistent data.

**Timecards.** In our 2012 report,<sup>18</sup> we recommended that FAA "develop a process to validate invoices and timecards submitted by FCT contractors annually to (a) ensure that hours billed were actually worked and met contract requirements, and (b) recover any overpayments made to the contractors." FAA concurred with the recommendation and outlined a process for reviewing contractor timecards, which we accepted as the basis for closing the recommendation.

As a part of this audit, we found that the previous FCT Program Office conducted a timesheet audit of one contractor in December 2012. This audit identified seven discrepancies between the controller timesheets and the total direct labor hours from the MAFRs. The FCT Program Office worked with the contractor to reconcile these discrepancies, but it is unclear whether FAA made price adjustments. However, according to the previous FCT Program Office, the Agency discontinued these timesheet audits because it considered controller timesheets to be the property of the contractor and not FAA. FAA's Office of Chief Counsel told us that FCT contracts include provisions that allow the Agency to access any contractor documentation that supports contract costs. The current contracts also include a provision that all contractors invoicing services to FAA in labor hours shall maintain and provide, as needed, documentation supporting hours worked for each pay period.

However, the current FCT Program Office has not resumed conducting timesheet audits nor developed any other process to validate contractors' staffing data. According to the leadership team, the current FCT Program Office would consider resuming timesheet audits in the future. Currently, FAA requires contractors to submit their staffing levels and hours worked but does not have a process to ensure that the information provided is accurate. By not assessing the reliability of hours worked data, FAA is hindering its ability to validate the hours billed

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<sup>18</sup> *Contract Towers Continue To Provide Cost-Effective and Safe Air Traffic Services, but Improved Oversight of the Program Is Needed* (OIG Report No. AV2013009), November 5, 2012.

through contractor invoices. Consequently, FAA is unable to identify and recover any price adjustments stemming from contractors' failure to meet contractual requirements.

Overall, FAA implemented programmatic changes to more effectively track staffing levels and monitor compliance with contractual requirements. However, it is premature to determine if these efforts will improve the Agency's oversight or improve controller staffing levels at contract towers.

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## FAA Altered Training Requirements To Expand the Controller Hiring Pool, but Challenges Remain To Maintain Adequate Staffing Levels at Contract Towers

FAA developed an initiative that expands the controller hiring pool for contract towers and allows graduates to bypass introductory training courses at the FAA Academy,<sup>19</sup> which streamlines the hiring process for eligible candidates. However, FAA's changes to contract areas and minimum staffing and certification requirements have impacted contractors' ability to adequately staff contract towers. Additionally, controller attrition and stagnant wage rates contributed to staffing shortages at contract towers.

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## FAA Took Steps To Expand the Controller Hiring Pool, but FCT Staffing Shortages Persist

Federal regulations<sup>20</sup> establish the eligibility, knowledge, practical experience, and medical requirements for all air traffic controllers. FAA issued Order 7210.3<sup>21</sup> to comply with the regulations and establish the requirements candidates must meet to be hired as a controller in the FCT Program. Under the Order, FCT contractors were permitted to hire controllers who held a previous Control Tower

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<sup>19</sup> The FAA Academy provides technical and managerial training and development for the Agency's workforce and the aviation community.

<sup>20</sup> 14 Code of Federal Regulations Parts 65 and 67.

<sup>21</sup> FAA Order JO 7210.3 – Facility Operation and Administration. This order provides instructions, standards, and guidance for managing air traffic facilities. Paragraph 11-2-6 of the order outlines the requirements and qualifications that individuals must meet to be considered eligible for employment as controllers at contract towers.

Operator (CTO) certificate with a facility rating<sup>22</sup> or an FAA Air Traffic Safety Oversight (AOV) credential with a tower rating. According to FCT contractors, these factors limit the hiring pool for contract towers to eligible former or retired FAA or military controllers, which inhibits their ability to maintain adequate staffing at contract towers. However, the Order did not include a maximum age restriction for FCT air traffic controllers, which benefits the FCT hiring pool.

### **FAA Took Steps To Expand the Hiring Pool for Contract Towers and Streamline Training Requirements for Entry-level Controllers**

In February 2024, FAA announced the newly developed Enhanced Air Traffic-Collegiate Training Initiative (AT-CTI) to expand the hiring pool of air traffic controllers and streamline the hiring process for eligible candidates. The Enhanced AT-CTI program includes 11 approved colleges and universities,<sup>23</sup> and it allows graduates to bypass introductory training courses at the FAA Academy. Essentially, the initiative allows FAA-approved colleges and universities to provide their students with equivalent FAA Academy air traffic control training. As a result, students graduating from one of these programs can immediately begin training at an ATC tower which, according to an FAA Technical Training official, saves 80 days of training time for entry-level controllers. These Enhanced AT-CTI graduates are still required to complete 6 months of on-the-job training before they can earn a CTO certification and control traffic independently at contract towers.

Effective in April 2024, FAA's General Notice (GENOT)<sup>24</sup> allowed FCT contractors to hire candidates with an Enhanced AT-CTI endorsement letter.<sup>25</sup> FCT contractors can hire any Enhanced AT-CTI graduate with the required medical and security clearances. In contrast, FAA can only hire Enhanced AT-CTI

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<sup>22</sup> A CTO certificate holder with a facility rating has demonstrated the qualifications and skills required to control air traffic at a specified airport traffic control tower.

<sup>23</sup> In October 2024, FAA approved the first two schools for the Enhanced AT-CTI program. As of March 2026, there are 11 FAA-approved Enhanced AT-CTI schools with a total of 14 programs. All 11 schools specialize in tower operations, while 3 of the 11 also specialize in en route operations. The FCT Program is only allowed to hire Enhanced AT-CTI graduates who specialize in tower operations.

<sup>24</sup> FAA GENOT N JO 7210.948 was issued on February 29, 2024, with an effective date of April 4, 2024. The contents of the GENOT were subsequently added to FAA Order 7210.3EE, which was issued in February 2025.

<sup>25</sup> Students graduating from an Enhanced AT-CTI program are only required to have an endorsement letter to be eligible to work at a contract tower. The endorsement letter serves as proof that the student has successfully completed the necessary coursework and assessments and is therefore eligible to be hired directly as a controller and placed at an ATC facility for practical experience training.

graduates who have taken the Air Traffic Skills Assessment (ATSA)<sup>26</sup> and obtained the necessary medical and security clearances.

### **FAA's Efforts To Expand the Controller Hiring Pool Have Not Improved FCT Staffing and Prompted the Agency To Consider Alternative Approaches**

While FAA took steps to expand the controller hiring pool at contract towers, FCT contractors continue to face challenges in maintaining adequate staffing levels. Based on our analysis of contractor MAFR data, as of April 2025, the FCT Program remained understaffed by 276 controllers, or roughly 18 percent of their workforce.

The Enhanced AT-CTI gave FCT contractors an opportunity to hire entry-level controllers. However, as of July 2025, all four FCT contractors stated that they had not hired a single Enhanced AT-CTI graduate. One of the contractors highlighted that the Enhanced AT-CTI graduates they contacted were not interested in FCT employment and preferred to pursue hiring opportunities with FAA.

Furthermore, according to senior FAA Safety and Technical Training officials, the Enhanced AT-CTI will add to future controller hiring pools, but it is not expected to become a major source of air traffic control hiring in the short run given the number of projected graduates. Nineteen Enhanced AT-CTI candidates graduated earlier this year; however, according to an FAA official, there could eventually be 100 to 200 graduates per year once FAA adds more schools to the program. According to an FCT contractor, the initiative will likely increase FAA's hiring pool, but the contractor doubts it will have a major impact on addressing the staffing shortages at contract towers. Additionally, new monetary incentives offered by FAA to retirement-eligible controllers<sup>27</sup> could impact the number of qualified controllers entering the FCT hiring pool. As a result, FCT contractors will continue to encounter staffing challenges at contract towers.

Given the staffing shortages at contract towers, FCT contractors submitted several exemption and waiver requests for FAA's consideration. For example:

- In May 2023, an FCT contractor requested an exemption to the practical experience requirement for entry-level controllers. Specifically, the

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<sup>26</sup> ATSA is a computer-based, entry-level employment-selection test that evaluates critical knowledge, skills, abilities, and other personal characteristics to help FAA determine the candidates best qualified for ATC positions. FAA groups applicants, including Enhanced AT-CTI graduates, who take the ATSA into three hiring bands based on their test scores—best-qualified (90 percent or above), well-qualified (85–89 percent), and qualified (70–84 percent). Typically, FAA only hires applicants from the best- and well-qualified hiring bands.

<sup>27</sup> The incentive applies to FAA controllers that are eligible for retirement at the age of 50 with 20 years of service or at any age with 25 years of service. The incentive is a lump sum payment of 20 percent of the controller's basic pay for each year they continue to work until they reach the mandatory retirement age of 56.

contractor requested that FAA grant an exemption for Standard AT-CTI<sup>28</sup> graduates from the Embry Riddle Aeronautical University (ERAU) that would give them credit for up to 4 months of time spent at the university towards the 6-month practical experience requirement. According to the exemption request, ERAU graduates would also complete a minimum of 2 months of on-the-job training at the contractor's ATC facility. FAA considered<sup>29</sup> the request and eventually granted a 5-year exemption to the contractor in January 2025. However, the exemption that FAA granted was limited to candidates with an Enhanced AT-CTI endorsement letter who completed an FAA-approved 4-month ERAU ATC Certificate Training Program.

The contractor who received this exemption told us that the reduced training time—from 6 months to 2 months at a contract tower—will streamline the training and onboarding process for entry-level controllers. However, the contractor stated that because FAA's approval stipulated that only Enhanced AT-CTI graduates are eligible to participate, all prior and recent ERAU Standard AT-CTI graduates do not qualify for the exemption. Additionally, the contractor has yet to use the exemption because it is limited to Enhanced AT-CTI graduates from one university, and those students just began graduating this year.

- In August 2024, a different contractor requested a waiver to FAA Order 7210.3, which requires a previous CTO certificate or AOV credential with a tower rating. The contractor's proposed plan was to partner with a well-established ATC school that adheres to or surpasses all FAA Academy training standards. This included successfully passing the FAA CTO written exam and completing 4 weeks of tower-specific simulation training before beginning 6 months of on-the-job training at one of the contractor's towers to obtain their CTO certification. According to the contractor, the waiver would allow them to complete air traffic controller training at their expense, ensuring compliance with requirements established in the Federal regulation. FAA issued a GENOT, effective in July 2025, which met the objective of the submitted waiver, to further expand the hiring pool. The GENOT allowed FCT contractors to hire graduates from

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<sup>28</sup> Following the development of the Enhanced AT-CTI, FAA now has two separate AT-CTIs: the Standard AT-CTI and the Enhanced AT-CTI. Standard AT-CTI graduates are eligible to bypass only the Air Traffic Basics Course conducted at the FAA Academy, while the Enhanced AT-CTI graduates are eligible to bypass all FAA Academy training.

<sup>29</sup> FAA's process for considering exemption and waiver requests can be found in 7210.3EE. The FCT Program Office participates in workgroups with other FAA lines of business to consider exemption and waiver requests pertaining to the FCT Program.

FAA-approved control tower operator partnership (CTO-P) schools<sup>30</sup> for a period of 1 year, in addition to Enhanced AT-CTI graduates.

- In June 2025, a third contractor requested a waiver to FAA Order 7210.3 to permit the hiring of FCT applicants who have held any air traffic control FAA credential with a rating or designation issued by AOV, instead of only those applicants with a previous tower rating. If approved, this would allow the contractor to hire controllers from FAA or the Department of Defense (DOD) with years of air traffic control experience but who have not held a previous tower rating. Additionally, the contractor would be required to provide at least 6 months of practical experience, and the applicant would have to earn a CTO certificate or AOV credential with a tower rating before controlling air traffic independently. FAA successfully completed its initial review and scheduled a formal workgroup to be established in fall 2025 to assess the request and develop potential courses of action.

Overall, FAA took several steps to expand the controller hiring pool at contract towers, such as developing the Enhanced AT-CTI and CTO-P. However, it will take time to determine if these steps will provide relief to FCT contractors and address staffing shortages at contract towers.

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## FAA's Changes to the FCT Program and High Attrition Rates Continue To Challenge Staffing at Contract Towers

FAA's changes to the FCT Program have impacted contractors' ability to maintain adequate staffing levels at contract towers. Additionally, contractors face staffing challenges due to controller attrition and stagnant wage rates.

### FAA's Changes to FCT Contract Areas and Staffing Requirements Introduced Staffing Challenges

**Contract Areas.** As part of the 2024 contract award, FAA changed the number of its contract areas from 7 to 10. According to FAA, the Agency revised the FCT contract areas to better align with the Agency's new redesigned airspace boundaries and improve communication with FAA Districts and Service Areas.<sup>31</sup> These changes resulted in 72 contract towers (over 25 percent) transitioning to a

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<sup>30</sup> This initiative is designed to prepare individuals for employment at FCTs as developmental controllers. It provides foundational curriculum and simulation training that mirrors FAA Academy standards.

<sup>31</sup> In 2020, AJO redesigned the geographic boundaries of the Nation's airspace. Subsequently, FAA also redesigned the contract areas of the FCT Program to align with the Agency's redesigned geographic boundaries.

different contractor. While it is not uncommon for there to be some tower transitions, the amount of tower transitions required by the 2024 contract award was significantly higher than the five tower transitions required by the 2015 contract award. Although the 2024 contract award required a much higher number of contract tower transitions, FAA proposed, and contractors agreed to, a 2-month transition period.

Within the 2-month period, 67 of the 72 towers successfully transitioned to a new contractor by the February 1, 2025, effective date. The five towers that did not complete their transition were in the same contract area and required a 2-month extension. Their delays in transitioning stemmed from issues such as retaining existing staff or hiring new staff because the new contractor was not matching the salary and benefits offered by the previous contractor.

All 72 contract towers transitioned to the new contractors by April 1, 2025. However, multiple contract towers continue to face staffing challenges. According to an FCT contractor, they addressed 39 vacancies in one contract area by temporarily reassigning 24 controllers from other contract towers they operate. The contractor told us that while this alleviates the staffing shortfall at these towers in the short term, they do not resolve staffing challenges in the long run.

**Staffing and Certification Requirements.** FAA also changed FCT staffing and certification requirements through the 2024 contract solicitation process. Specifically:

- The current contracts increased the minimum staffing requirement for each contract tower from four FTE controllers, including the air traffic manager (ATM), to four FTE controllers not including the ATM. Our analysis of FAA-authorized staffing levels between the prior and current FCT contracts found that the current contracts require FCT contractors to hire an additional 129 controllers.<sup>32</sup> According to contractors, this could further strain their ability to maintain minimum staffing levels at contract towers.
- The current contracts require every FCT to have a full-time ATM who cannot be placed on the Basic Watch Schedule<sup>33</sup> to work operating positions. Prior FCT contracts allowed ATMs to control traffic up to 50 percent of their time.

Multiple FCT contractors told us that while they are no longer allowed to place ATMs on a Basic Watch Schedule, ATMs are still allowed to cover for

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<sup>32</sup> The controller shortage includes the number of controllers and ATMs needed to staff 258 contract towers at their authorized staffing level.

<sup>33</sup> Basic Watch Schedules are posted for an indefinite period and must meet the work limits and rest requirements defined in FAA Order 7210.3EE, paragraph 2-6-7.

controllers on vacation or leave. Additionally, three of the four contractors told us that they have a long-standing practice of compensating ATMs at rates that are 10 to 15 percent above the rates for controllers. However, according to FAA officials, given that FCT contracts are firm-fixed price contracts, FAA only pays for the ATM rate premium if the contractors included the premium in their selected contract proposal. Three contractors told us that they believe this raises a significant concern that existing and prospective ATMs will quit the FCT Program or choose to work as controllers rather than take a pay cut. We conducted site visits with contract towers operated by three of the four FCT contractors.<sup>34</sup> Two ATMs told us that they were opting to take controller positions because of a decrease in wages from their previous ATM contracts. One of the individuals was later re-hired to the ATM position at a compensation rate similar to their previous employment contract. Not having ATMs with the required technical skills to fill in for absent or departing controllers could expose contract towers to short-term staffing shortages. ATMs are also heavily involved in training and certifying new and entry-level controllers. Thus, without qualified ATMs, controller training and certifications will likely be negatively impacted.

- The current contract introduces a new requirement for the FCT contractors to implement the Designated Control Tower Operator-Examiner (DCTO-E) program. The program requires contractors to nominate designees, which are typically ATMs, to certify new controllers. After FAA approves the designees, they will be able to test and certify newly hired and trained FCT controllers at their contract tower. In previous contracts, FAA was responsible for testing and certifying new FCT controllers, which required contractors to schedule evaluations with FAA, and FAA employees had to travel to contract towers. This new program will save time for the Agency because contractors may be able to certify controllers faster. However, according to a contractor, this could also potentially cause contractors to certify controllers prematurely to increase staffing levels and avoid downward price adjustments. Additionally, one of the labor unions we interviewed believes self-certification of controllers by contractors is a potential risk and very dependent on the integrity and qualifications of the examiner.

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<sup>34</sup> When the audit began in July 2024, there were three FCT contractors. The towers we visited were selected to ensure that we visited a total of 12 towers, 4 towers from each of the 3 FCT contractors. We judgmentally selected the towers based on factors such as controller staffing levels, geographical vicinity, and number of air traffic operations.

Although FAA revised contract areas and minimum staffing and certification requirements, contractors continue to face challenges to maintain adequate staffing levels at contract towers.

### **Controller Attrition and Stagnant Wage Rates Continue To Impact Staffing Levels at Contract Towers**

FAA and DOD hire significant numbers of controllers from the FCT Program because they are already trained and skilled in operating under FAA standards and procedures. This drastically impacts staffing levels at contract towers, as well as contractors' ability to meet contractual requirements. According to one FCT contractor, 35 percent of its controllers departed in calendar year 2024 to accept positions with FAA or DOD, making this the primary cause of controller attrition. Additionally, FAA and DOD offer increased wages and more comprehensive benefits, which is an incentive for controllers to leave the FCT Program.

Even if an FCT contractor can replace a controller leaving for FAA or DOD, departing controllers typically give contractors short notice as compared to the 3–6 weeks it takes the contractor to hire and onboard a new controller. Training a new controller to get the required certifications and control air traffic independently could take up to an additional 30 to 60 days. As a result, even in situations when contractors can seamlessly replace outgoing controllers, they could still face short-term disruptions in staffing at contract towers. FCT contractors told us that the FCT Program acts as a controller training ground for FAA. Therefore, a contractor and stakeholder recommend that FAA work more closely and notify them earlier to make hiring transitions as smooth as possible while minimizing any disruption to contract tower operations.

Section 611 of the FAA Reauthorization Act of 2024, enacted in May 2024, directs the Secretary of Transportation to make requests to the Secretary of Labor and consult with the Federal Aviation Administrator to review and update, as necessary, the basis for FCT controller wages and create a new wage category or codes for ATMs at contract towers. Additionally, the Act provides the Secretary of Transportation 2 years to submit a report to Congress describing the findings and conclusions of the Section 611 review, the basis for the wage determination, and any actions taken to ensure controller wages are adjusted for inflation. FCT Program officials stated that FAA is actively working on coordination with the Secretary of Transportation and the Secretary of Labor to fulfill the Act's directive.

Furthermore, staffing is more challenging for contractors at high cost-of-living and remote locations. This is exacerbated by FCT contractors often choosing to use DOL wage rates as the basis for paying controllers. Although FCT contractors do not have to use the DOL wage rates, these rates are the minimum rate contractors must pay covered employees. Given that the FCT contracts are firm-fixed priced, contractors assume maximum risk and full responsibility for all costs and resulting profit or loss. Therefore, if contractors bid higher wage rates,

they bear the risk of costs associated with fulfilling the contractual requirements. According to an FCT Program official, contractors have access to historical data and are responsible for conducting their own market research on wages before they submit contract proposals.

Contractors we spoke to stated the DOL rates are stagnant and not sufficient to cover necessities in high cost-of-living locations. Additionally, two contractors expressed concerns that there is no DOL wage rate category for ATMs or trainees at contract towers. However, according to multiple FAA officials, given their primary managerial job duties, ATMs are likely exempt from the Service Contract Labor Standards and would not qualify for a wage rate under current DOL regulations. A contractor stated a DOL controller trainee job category and wage rate must be created to allow contractors to pay a lesser rate to trainees. However, we found contract towers that are unionized and fall under a collective bargaining agreement can negotiate wages above DOL wage rates.

Overall, these factors have hindered the FCT Program's ability to maintain adequate staffing at contract towers and challenge the efficacy of the program. A strong partnership and communication between FAA and contractors will be key to adequately staff contract towers going forward.

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## Conclusion

We reported in prior audits that the FCT Program provides cost-effective and safe air traffic services to aviation users and the flying public. Continuing to improve the Agency's oversight of the program will better position FAA to safeguard taxpayer dollars and ensure that contract towers are operating effectively and efficiently. Additionally, FAA is facing a well-documented air traffic controller staffing shortage, and this applies to the FCT Program. Although FAA recently took steps to address controller staffing challenges, the Agency has an opportunity to continue exploring alternative approaches to broaden the hiring pool at contract towers. Stabilizing controller staffing at contract towers is critical to the overall safety of the NAS.

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## Recommendations

To improve the Federal Aviation Administration's (FAA) monitoring of controller staffing levels and boost controller staffing at contract towers, we recommend that the Federal Aviation Administrator:

1. Develop and implement a process to validate the hours worked submitted by contractors and recover any overpayments.
2. Evaluate the impact of current FAA training and controller retention initiatives on the FAA's Contract Tower (FCT) Program hiring pool and implement any improvements to address staffing shortfalls at contract towers.
3. Collaborate with FCT contractors and other stakeholders to explore alternative approaches, including pending exemption and waiver requests, to expand the controller hiring pool at contract towers and implement viable approaches.

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## Agency Comments and OIG Response

We provided FAA with our draft report on January 22, 2026. On March 9, 2026, we received FAA's response, which is included as an appendix to this report. FAA concurred with recommendation 1 and clarified that the Agency will implement a process to validate contractor hours and reclaim any overpayments for all contracts effective February 1, 2026, onward. Additionally, FAA concurred with recommendations 2 and 3 and proposed appropriate actions and completion dates. Accordingly, we consider all recommendations as resolved but open pending completion of planned actions.

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## Actions Required

We consider recommendations 1 through 3 resolved but open pending completion of planned actions.

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## Exhibit A. Scope and Methodology

This performance audit was conducted between July 2024 and January 2026. We conducted this audit in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Section 605 of the FAA Reauthorization Act of 2024 mandates that DOT-OIG conduct an audit of FCT Program workforce needs. Our prior work evaluated FAA's approach for establishing and modifying air traffic controller staffing levels at contract towers; therefore, our objectives were to assess FAA's actions to (1) improve its monitoring of controller staffing levels at contract towers and (2) evaluate training requirements and other factors that may impact staffing at contract towers.

To understand the scope of contract towers, we gathered operating information for each contract tower, such as the number of yearly tower operations, authorized staffing level, and hours of operation from FCT Program Office officials. At the beginning of the audit in July 2024, there were 3 FCT contractors and a total of 264 towers. During the audit, a new FCT contractor and two new contract towers joined the program, bringing the total to 266. Our analyses were based on a universe of 258 contract towers.<sup>35</sup>

To assess the FCT Program and contractual requirements, we analyzed a total of 17 FCT contracts<sup>36</sup> and evaluated 325 contract modifications that covered the period between July 2020 and July 2024 to identify how many and which modifications included changes in controller staffing levels or hours of operation at contract towers. Additionally, we reviewed FAA's AMS policy manual which governs the Agency's contract administration responsibilities and interviewed officials from the FCT Program Office and the Office of Finance and Management.

To assess FAA's actions to improve its monitoring of controller staffing levels at contract towers, we interviewed FCT Program Office officials and reviewed their policy and procedures, the Code of Federal Regulations, and FAA orders related to staffing, training, and hiring. Additionally, we interviewed officials from FAA's

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<sup>35</sup> We excluded one recently added tower and the seven towers operated by the Air National Guard from our universe.

<sup>36</sup> Ten of the 17 contracts we reviewed were from FAA's most recent contract award cycle and were awarded in November 2024. The remaining seven contracts were from FAA's previous contract award cycle and were awarded in April 2015.

Air Traffic Services and Office of Labor Analysis to understand the Agency's staffing models for standalone towers.

We analyzed the authorized controller staffing levels from the previous FCT contracts and the current FCT contracts to identify overall changes in staffing requirements. We also compared the MAFRs received from the contractors to the MAFRs we received from FAA between July 2021 and June 2024 to identify any internal control deficiencies and assess data reliability. Furthermore, we evaluated the spreadsheet that FAA used to track controller staffing levels each month at contract towers between July 2021 and May 2024. By comparing the actual monthly staffing levels from FAA's spreadsheet to the contractor provided MAFRs, we assessed if there were internal control deficiencies for staffing data. Additionally, we analyzed controller staffing levels from the contractor submitted MAFRs for April 2025 to identify how many controller vacancies exist in the entire FCT Program. We also used the MAFRs to determine how many staffing-related ATC-Zero events occurred at contract towers between February 1, 2025, and May 31, 2025.

To assess FAA's actions to evaluate training requirements that may impact staffing at contract towers, we interviewed officials from FAA's Safety and Technical Training and FAA's Air Traffic Safety Oversight Service to gain knowledge of the training initiatives that FAA is undertaking to expand the hiring pool of air traffic controllers and streamline the hiring process. We also gathered data on FAA-approved Enhanced AT-CTI schools and the number of graduates. Additionally, we gained information on the process and the status of waiver and exemption requests that FCT contractors submitted to alter hiring and training requirements at contract towers. We also interviewed the four FCT contractors to determine how FAA monitors controller staffing levels at individual contract towers and the impact of FAA's training initiatives and waiver and exemption requests.

To determine other factors impacting controller staffing, we interviewed the four FCT contractors and gathered turnover data for controllers at contract towers. We also visited and interviewed ATMs and airport management at 12 contract towers. The towers were judgmentally selected at the beginning of the audit with the goal of visiting four towers from each of the three FCT contractors and based on factors such as controller staffing levels, geographical vicinity, and number of air traffic operations. First, we selected a tower from each contractor that was understaffed by two or more controllers for multiple months.<sup>37</sup> We then considered towers that were geographically located nearby for selection and

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<sup>37</sup> We used initial staffing data provided by FAA to compare the actual number of controllers on board to the authorized number on board for each tower for every month between July 1, 2021, and June 30, 2024. We then determined the number of months each contract tower had a staffing shortfall greater than or equal to two.

attempted to include towers that handled a high number of air traffic operations. As part of our selection, we included two contract towers identified by FAA as eligible to participate in the Agency's pilot program to potentially transition to FAA-operated towers.<sup>38</sup>

To gain additional perspective on staffing, training, and other factors affecting the FCT Program, we interviewed officials from the American Association of Airport Executives, the National Air Traffic Controllers Association, and Professional Air Traffic Controllers Organization.

We assessed internal controls and data reliability related to controller staffing and ATC-Zero events by comparing independent records from FAA and contractors. We also performed direct observations at 12 contract towers to assess controller staffing levels and gather testimonial information about issues impacting staffing and training. We believe based on interviews and data analysis, the evidence used to support our findings and conclusions is sufficiently reliable for our audit purposes.

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<sup>38</sup> The eligibility requirements are in Section 625 of the FAA Reauthorization Act of 2024.

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## **Exhibit B.** Organizations Visited or Contacted

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### **FAA Headquarters, Washington, DC**

Air Traffic Organization

- Air Traffic Services
- Program Management Organization
- Safety and Technical Training

Aviation Safety

- Air Traffic Safety Oversight Service

Office of Finance and Management

- Acquisitions and Business Services
- Financial Services

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### **FAA Contract Towers and Airport Management Officials**

Boca Raton, Florida (BCT)

Carbondale, Illinois (MDH)

Chico, California (CIC)

Ho'olehua, Hawaii (MKK)

Kailua-Kona, Hawaii (KOA)

Marion, Illinois (MWA)

Mather, California (MHR)

Opa-Locka, Florida (OPF)

Pembroke Pines, Florida (HWO)

Pompano Beach, Florida (PMP)

Salinas, California (SNS)

San Carlos, California (SQL)

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## **FCT Program Contractors**

CI<sup>2</sup> Aviation, Inc.

Midwest Air Traffic Control Service, Inc.

Robinson Aviation (RVA), Inc.

Serco, Inc.

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## **Other Organizations**

American Association of Airport Executives (AAAE)

National Air Traffic Controllers Association (NATCA)

Professional Air Traffic Controllers Organization (PATCO)

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## Exhibit C. List of Acronyms

AJM	Program Management Organization
AJO	Air Traffic Organization
AJT	Air Traffic Services
AMS	Acquisition Management System
AOV	Air Traffic Safety Oversight
ATC	Air Traffic Control
AT-CTI	Air Traffic-Collegiate Training Initiative
ATM	Air Traffic Manager
ATSA	Air Traffic Skills Assessment
COR	Contracting Officer Representative
CTO	Control Tower Operator
CTO-P	Control Tower Operator Partnership
DCTO-E	Designated Control Tower Operator-Examiner
DOD	Department of Defense
DOT	Department of Transportation
ERAU	Embry Riddle Aeronautical University
FAA	Federal Aviation Administration
FCT	Federal Aviation Administration Contract Tower
FTE	Full-time equivalent
GENOT	General Notice
KSN	Knowledge Services Network
MAFR	Monthly Area Facility Report
NAS	National Airspace System
OIG	Office of Inspector General
QPR	Quarterly Program Review
RVA	Robinson Aviation, Inc.
SME	Subject Matter Expert
SOP	Standard Operating Procedure

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## Exhibit D. Major Contributors to This Report

JAY BORWANKAR	PROGRAM DIRECTOR
ROBIN KOCH	PROGRAM DIRECTOR
TASHA THOMAS	PROJECT MANAGER
ALEX ROMERO	SENIOR ANALYST
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## Appendix. Agency Comments



# Federal Aviation Administration

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## Memorandum

Date: March 9, 2026

To: Nelda Z. Smith, Assistant Inspector General for Aviation Audits  
BARBARA LOURDES

From: Barbara Barnet, Deputy Director, Office of Audit and Evaluation, AAE-2  
BARNET

Subject: Federal Aviation Administration's (FAA) Response to Office of Inspector General (OIG) Draft Report: FAA Took Action To Improve Monitoring and Increase Staffing Levels at Contract Towers, but Staffing Shortages Remain Project No. 24A3005A000

Digitally signed by BARBARA LOURDES BARNET  
Date: 2026.03.09 09:02:54 -04'00'

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The Federal Aviation Administration (FAA) has taken significant, concrete steps to strengthen oversight of the Contract Tower (FCT) Program, modernize staffing accountability mechanisms, and expand the pipeline of qualified air traffic controllers supporting contract towers across the National Airspace System (NAS). Since July 2020, FAA has restructured program governance, enhanced contract performance requirements, implemented new monitoring and reporting processes, and introduced initiatives to broaden the controller hiring pool while maintaining safety and operational integrity. These actions reflect FAA's commitment to safeguarding taxpayer resources, ensuring continuity of air traffic services, and addressing workforce challenges affecting both FAA-operated and contract-operated towers amid a nationwide controller staffing shortage.

FAA acknowledges that contract tower staffing is influenced by factors beyond program administration, including competition for qualified controllers, wage dynamics, geographic cost-of-living disparities, and broader workforce attrition trends affecting the aviation sector nationwide. To address this, FAA has implemented multiple programmatic and contractual improvements:

- **Program Governance and Oversight Enhancements:**  
FAA reorganized the FCT Program under the Air Traffic Organization's Program Management Organization (PMO), establishing a dedicated leadership team and clarifying roles for operational, acquisition, and financial oversight. This restructuring has strengthened accountability and improves coordination among program stakeholders.
- **Improved Staffing Monitoring and Accountability:**  
FAA updated FCT contract requirements to measure staffing performance at the individual tower level, enhanced penalties for sustained staffing shortfalls and ATC-Zero events and implemented standardized Monthly Area Facility Reports (MAFRs). FAA also established a centralized repository to improve data retention, accessibility, and oversight consistency.

- **Expanded Hiring and Training Pathways:**

FAA has taken steps to broaden the controller hiring pool through initiatives such as the Enhanced Air Traffic Collegiate Training Initiative (AT-CTI), Control Tower Operator Partnership (CTO-P) pathways, and targeted exemptions and waivers. While these initiatives are in early stages and face market-driven constraints, FAA continues to evaluate additional approaches in collaboration with industry stakeholders.

Based on its review of the OIG draft report, FAA concurs with recommendations 2 and 3 as written. FAA concurs with recommendation 1 with a clarification—we will implement a process to validate contractor hours and reclaim any overpayments for all contracts effective February 1, 2026, onward. We plan to complete actions to address all 3 recommendations by January 31, 2027.

We appreciate this opportunity to respond to the OIG draft report. Please contact Barbara Barnet at [Barbara.Barnet@faa.gov](mailto:Barbara.Barnet@faa.gov), if you have any questions or require additional information about these comments.

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