



# FAA Reorganization: What You Need to Know

March 25, 2026

Fox  
Rothschild

# Presented By



**Mark A. Dombroff**  
**Partner, Fox Rothschild LLP**

mdombroff@foxrothschild.com  
Phone: 703.248.7002



**Mark McKinnon**  
**Partner, Fox Rothschild LLP**

mmckinnon@foxrothschild.com  
Phone: 202.794.1214

## FAA Reorganization

- On January 26, 2026, Sean Duffy announced a major reorganization of the FAA
- Stated goal is to support the continued modernization of the airspace
- Creation of new safety oversight office
- New Airspace Modernization office “to ensure the installation of a brand-new air traffic control system moves at Trump Speed”
- Consolidation of the management of finance, IT, and human resource divisions under the administrator
- No Reduction in Force (RIF) from the reorganization
- Implement FAA Flight Plan 2026

## FAA Reorganization – Flight Plan 2026

- Divided into 3 areas of focus: People, Safety and NAS
- People
  - Identify and resolve hiring bottlenecks by 20%
  - Continue ATC hiring with another 2,200 trainees
  - Identify technology to speed training of ATC
  - Consolidate some FAA and DOT facilities
- Safety
  - Creation of a single FAA SMS system wide
  - Create pilot program for a digitized aircraft certification process
- Modernization
  - BNATCS
  - Surface Movement Radars at 8 airports and surface awareness initiatives
  - Deploy digital remote tower technology at first sites
  - EVTOL integration pilot program

## FAA Reorganization – Safety Oversight Office

- FAA was directed by congress to create a new structure within FAA to support the implementation of a single MSS system and a comprehensive risk management strategy for the entire FAA
- Different safety metrics were essentially siloed into individual offices
- While this was viewed as an appropriate risk-based approach tailored to various tasks and oversight functions, it was also viewed as creating inconsistencies

## FAA Reorganization – Safety Oversight Office

- New structure encourages consistency and allows for better exchange of information on risks and mitigation strategy
  - Implement an FAA-wide safety risk management process
  - Develop comprehensive FAA safety risk heat maps
  - Proactively identify hazards in the NAS and mitigate risks before incidents occur
- Move comes after Senate Committee announced that it has passed the new Federal Aviation Administration (FAA) SMS Compliance Review Act of 2026
  - The bill forces the FAA to establish an independent expert review panel to make recommendations for a comprehensive, integrated, and effective safety management system (SMS) to better predict, manage and mitigate safety risks across the agency

## FAA Reorganization – Airspace Modernization Office

- **BNATCS** - Flight-delay minutes due to equipment issues in 2025 are about 300 percent higher than the average from 2010-2024
- 12.8 Billion from Big Beautiful Bill, with another 20 billion to finish
  - NextGen and similar programs lagging behind and applied piecemeal
  - Peraton issued contract to oversee and coordinate legacy work on BNATCS and to manage new elements of the program
  - Primary focus on data and communication integration, moving analog and copper-based systems to fiber and digital
  - Improve radio reliability and deal with problems of radios “stepping on” each other
  - Fully operational by the end of 2028

## FAA Reorganization – Advanced Aviation Technologies Office

- Oversee ongoing efforts to integrate new airspace users into the National Airspace System
- Part 108 BVLOS operations
  - Requires new aircraft certification light for the various classes of UAS (1-5)
  - Requires oversight of new aviation service providers to handle the strategic deconfliction for UAs
  - FAA decided not to utilize a UTM system that had been the focus of industry for a decade
  - New rules for when manned and unmanned systems must give way to each other
  - Handle NEPA issues from large scale UAS package delivery operations
  - FAA PEA (programmatic analysis) Framework looks to be an effort to get CATEX (Categorical Exclusion) for most operations to ease the regulatory burden
    - E.g. 1000 flights per day, 610-foot setback, no mitigation
    - Very little local input except through land use zoning

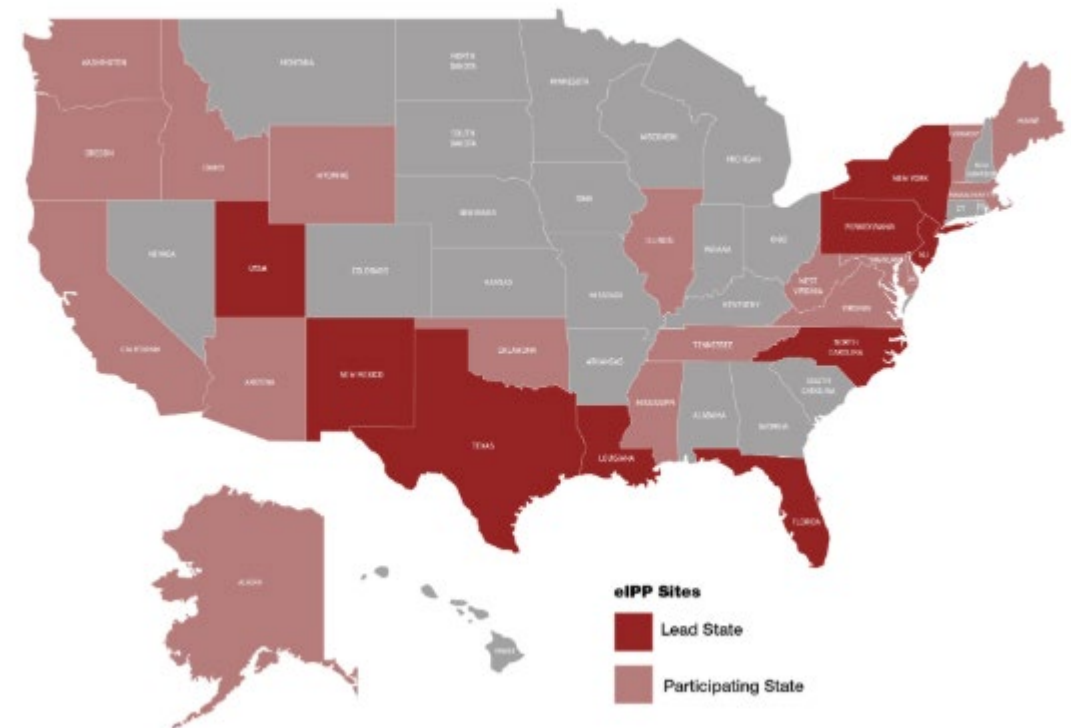
## FAA Reorganization – Advanced Aviation Technologies Office

- **AAM** - Eight proposals were selected as part of the brand-new Advanced Air Mobility and Electric Vertical Takeoff and Landing (eVTOL) Integration Pilot Program (eIPP)
  - Projects span 26 states and a range of operational concepts, including:
    - Urban air taxi services
    - Regional passenger transportation (including short Takeoff and Landing aircraft)
    - Cargo and logistics networks
    - Emergency medical response operations
    - Autonomous flight technologies
    - Offshore and energy-sector transportation

## FAA Reorganization – Advanced Aviation Technologies Office

- Port Authority of New York and New Jersey
- Texas DOT
- Utah DOT
- Pennsylvania DOT
- State of Louisiana
- Florida DOT
- NC Dot
- City of Albuquerque (focus on Autonomous Ops.)

### eVTOL Integration Pilot Program Sites



## FAA Reorganization – Consolidation

- **The Administration and Finance Office** — will include the following organizations: The Office of Finance and Management; the Office of Information and Technology; and the Office of Human Resource Management
- **The Policy and Legal Office** — will oversee strategic policy, legal, stakeholder engagement, and financial assistance functions. It will also include the agency's rulemaking and regulatory office, as authorized by the FAA Reauthorization Act of 2024
- **The Airspace Modernization Office** — required by the FAA Reauthorization Act of 2024, the office will be responsible for modernizing the National Airspace System (NAS), including planning, research and development, systems engineering, and portfolio management
- **The Air Traffic Organization** — will continue its mission providing the safest, most efficient air navigation services in the world

## FAA Reorganization – Consolidation

- **The Aviation Safety Management System (SMS) Organization** — will lead an agency-wide safety management system by centralizing safety management activities previously conducted in five separate lines of business
- **The Office of Advanced Aviation Technologies** — consistent with the FAA Reauthorization Act of 2024 and President Trump’s Executive Orders, the office will be the designated point for activities related to the integration of advanced aviation technologies including Advance Air Mobility, Unmanned Aircraft Systems, and Supersonic aircraft in United States
- **The Office of Commercial Space Transportation** — will continue regulating the U.S. commercial space transportation industry
- **The Security and Intelligence Organization** — will continue conducting security and intelligence activities
- **The Aviation Safety Oversight and Certification Organization** — will continue the safety oversight and certification activities of the former Aviation Safety Organization

## Office of Commercial Space Transportation

- FAA finished transition to New Commercial Launch Licenses
- During the First Trump Administration, FAA proposed the creation of Part 450 to streamline the issuance of commercial launch licenses
- The new part 450 has been slowly phased in until earlier this month, when the new rules went fully into effect and all the existing launch licenses were transferred to the new system
  - Consolidate multiple application processes;
  - Allow for one license to cover multiple launch sites or missions;
  - Simplify the burdensome and time-consuming approval process.

## Commercial Space Transportation

### All Calendar Years

Select Calendar or Fiscal

Select Year

Calendar

(All)

Click any number below and hover over visuals for details.

**1,126**

Total Operations  
(Licensed + Permitted Launches and Reentries)

**1,023**

Licensed Launches

**57**

Licensed Reentries

**46**

Permitted Launches

**60**

Human Space Flight Launches

**18**

Human Space Flight Reentries

**11**

Launch Licenses

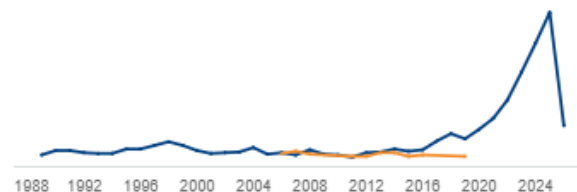
Additional Commercial Space Data:

[Commercial Space Website](#)

[U.S. Spaceports Map](#)

[Launches, Reentries and Licenses](#)

Licensed and Permitted (Experimental) Launches 1989 to 2026  
Licensed Blue; Permitted Orange



Licensed Reentries 2010 to 2026



Licensed Launches

**94**  
FY2026

**44**  
CY 2026

Licensed Reentries

**3**  
FY2026

**3**  
CY 2026

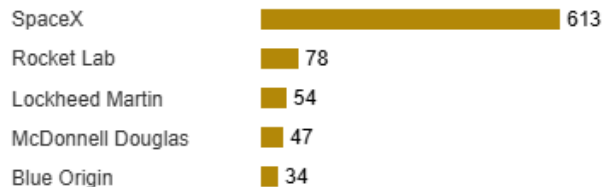
Active Licenses

**3**  
Reentry License(s)

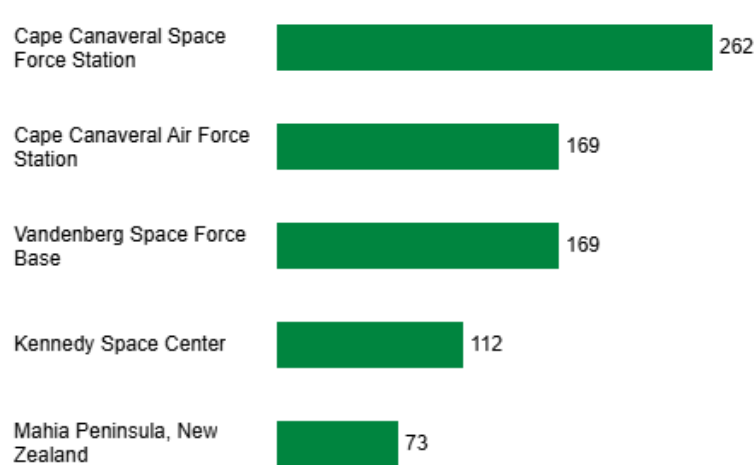
**14**  
Spaceport License(s)

Last Updated: 3/23/2026 5:31 AM

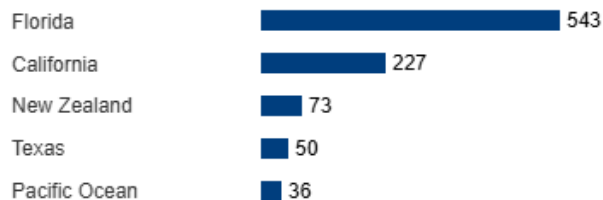
### Operator with the Most Licensed Launches



### Site with the Most Licensed Launches



### State/Location with the Most Licensed Launches



✓ **For UAS News and Analysis:**

Follow us at our Plane-Ly Spoken blog:

<https://plane-lyspoken.foxrothschild.com>

✓ **Save the Date for the 2027 Aviation Symposium**  
February 2-4, 2027