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OSC TRANSMITS DOT REPORT ON FAA'S OVERSIGHT OF AMERICAN AIRLINES' MAINTENANCE PROGRAMS

FOR IMMEDIATE RELEASE

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WASHINGTON, DC / APRIL 1, 2010 – Today, the U.S. Office of Special Counsel (OSC) transmitted to the President and Congressional oversight committees a report prepared by the Department of Transportation (DOT) in response to a whistleblower's allegations that Federal Aviation Administration (FAA) officials improperly delayed acting on safety concerns involving American Airlines' (American) rudder and wiring systems.

The whistleblower, Mr. Douglas E. Peters, then an Aviation Safety Inspector, American Certificate Management Office, Irving, Texas, disclosed that high-level officials in the Flight Standards Service intervened after he found American Airlines non-compliant with an Airworthiness Directive (AD) requiring mechanical system inspections. Mr. Peters said that FAA's intervention assisted American to avoid service interruptions and, as a result, permitted the continued operation of aircraft that were not in compliance with an FAA safety directive.

The August 2009 report to OSC from Secretary of Transportation Ray LaHood concurred with Mr. Peters' findings that American was non-compliant with the AD. However, the agency report concluded that FAA permissibly exercised its discretion in allowing American to continue operation of 124 aircraft while FAA sought an additional review of the problem. The agency report also found that FAA ordered an inspection team to cease work and vacate American's maintenance facility in Tulsa, Oklahoma, while in the midst of conducting an inspection into the rudders of Boeing 757 aircraft and the wiring of MD-80 aircraft. While the agency report found that these actions were not improper, they nonetheless fostered the perception by Mr. Peters and other inspectors that FAA was wrongly assisting American to avoid service disruption.

Based on American's noncompliance with the rudder and wiring inspection requirements, FAA has initiated enforcement actions against American. Beyond the enforcement actions, as part of the agency's overall response to heightened aviation safety and management concerns, the agency report reflects that in April 2008, then-Acting FAA Administrator Robert Sturgell commissioned an AD Compliance Review Team to review and recommend improvements in the AD process. In addition, in May 2008, then-Secretary Mary Peters appointed an Independent Review Team to examine FAA's

safety culture and approach to safety management. FAA reports that it is reviewing and implementing multiple recommendations submitted by these review boards.

OSC determined that the agency's report contains all the information required by statute and the findings appear reasonable.

The U.S. Office of Special Counsel (OSC) is an independent investigative and prosecutorial agency and operates a secure channel for disclosures of whistleblower complaints. Its primary mission is to safeguard the merit system in federal employment by protecting federal employees and applicants from prohibited personnel practices, especially retaliation for whistleblowing. OSC also has jurisdiction over the Hatch Act and limited jurisdiction over the Uniformed Services Employment and Reemployment Rights Act. For more information please visit our web site at www.osc.gov or call (800) 872-9855.