



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Office of Inspector General

Memorandum

Subject: INFORMATION: Notification of Audit of
FAA's Management and Control Over National,
Regional, and Local Memorandums of
Agreement

Date: October 11, 2002

From: David A. Dobbs
Assistant Inspector General
for Aviation Audits

Reply to
Attn of: JA-10

To: Chris Bertram
Assistant Administrator for Financial
Services/Chief Financial Officer, ABA-1

In 1998, under authority of personnel reform, the Federal Aviation Administration (FAA) and the National Air Traffic Controllers Association (NATCA) entered into a 5-year national collective bargaining agreement. The comprehensive agreement addressed many significant issues that were previously not negotiable, including pay and benefits for controllers. Article 7 of the agreement also allowed FAA managers and NATCA representatives to enter into written agreements or memorandums of understanding (MOUs) outside the national agreement.

MOUs are negotiated for issues that are not specifically addressed by the national agreement such as (1) changes in local working conditions, (2) implementation of new technology, and (3) training on new equipment. MOUs can be negotiated at the national, regional, or local level and are binding on both the agency and the union. Currently, there are approximately 1,000 national, regional, and local MOUs between FAA and NATCA.

The Office of Inspector General plans to begin an audit of FAA's management and controls over national, regional, and local MOUs with NATCA. The objectives of the audit are to (1) evaluate Air Traffic's process for negotiating, approving, and implementing agreements made outside the national collective bargaining agreement, and (2) identify any potential cost or operational impacts of local, regional, and national memorandums of understanding.

We plan to begin the audit the week of October 21, 2002. We will contact FAA's audit liaison to arrange a formal entrance conference.

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cc: FAA Chief of Staff, AOA-2
FAA Audit Liaison, ABA-130
OST Audit Liaison, M-1