
Office of the Inspector General Inspection Report

*FAA's Alleged Unsatisfactory Coordination
and Improper Fund Control of
Occupational Safety and Health Programs*

Report Number: E5-FA-7-006

Date: January 27, 1997





U.S. Department of
Transportation

Office of the Secretary
of Transportation

Office of Inspector General

Memorandum

Subject **ACTION:** Report on FAA's Alleged Unsatisfactory
Coordination and Improper Fund Control of
Occupational Safety and Health Programs Date January 27, 1997

From Joyce N. Fleischman  Reply to
Acting Inspector General Attn of

To Acting Federal Aviation Administrator

The Office of Inspector General reviewed a complaint alleging unsatisfactory program coordination and improper budget control activities occurred between two Federal Aviation Administration (FAA) divisions responsible for overseeing and implementing FAA's environmental protection, health, and safety programs. We substantiated the first allegation that coordination efforts between the divisions are unsatisfactory. We did not substantiate a second allegation that program funds of one division are being used on functions of another division.

Attached is our final report. Please inform us of projected milestones for revising the Mission and Function (M&F) statements and issuing any necessary supplemental guidance. In addition, we request that the Office of Environment and Energy, Facility Environment and Safety Division, and the National Airspace System Transition and Implementation Office, Engineering and Environmental Safety Division, provide us copies of final M&F statements and supplemental guidance. We appreciate the courtesies and cooperation extended to the inspection team during this review.

If I can answer any questions or be of further assistance, please feel free to contact me on x61959, or my Associate Deputy Inspector General, Raymond J. DeCarli, on x61964.

Attachment

CONCLUSION

This report responds to a complaint received by the Office of Inspector General (OIG), Department of Transportation, concerning unsatisfactory program coordination and budget control activities between the Federal Aviation Administration (FAA), Office of Environment and Energy, Facility Environment and Safety Division (AEE) and the National Airspace System (NAS) Transition and Implementation Office, Engineering and Environmental Safety Division (ANS). We substantiated the complainant's allegation that AEE and ANS coordination efforts are unsatisfactory. We recommend the Office of Environment and Energy and the NAS Transition and Implementation Office revise AEE and ANS mission and function (M&F) statements to eliminate any overlap and/or duplication of functions. We also recommend that the two offices issue supplemental guidance, such as Memoranda of Understanding (MOU) or Standard Operating Procedures (SOP), to clarify any remaining issues not addressed in the AEE and ANS revised M&F statements. We did not substantiate a second allegation that ANS may jeopardize AEE programs by using AEE funds for ANS functions.

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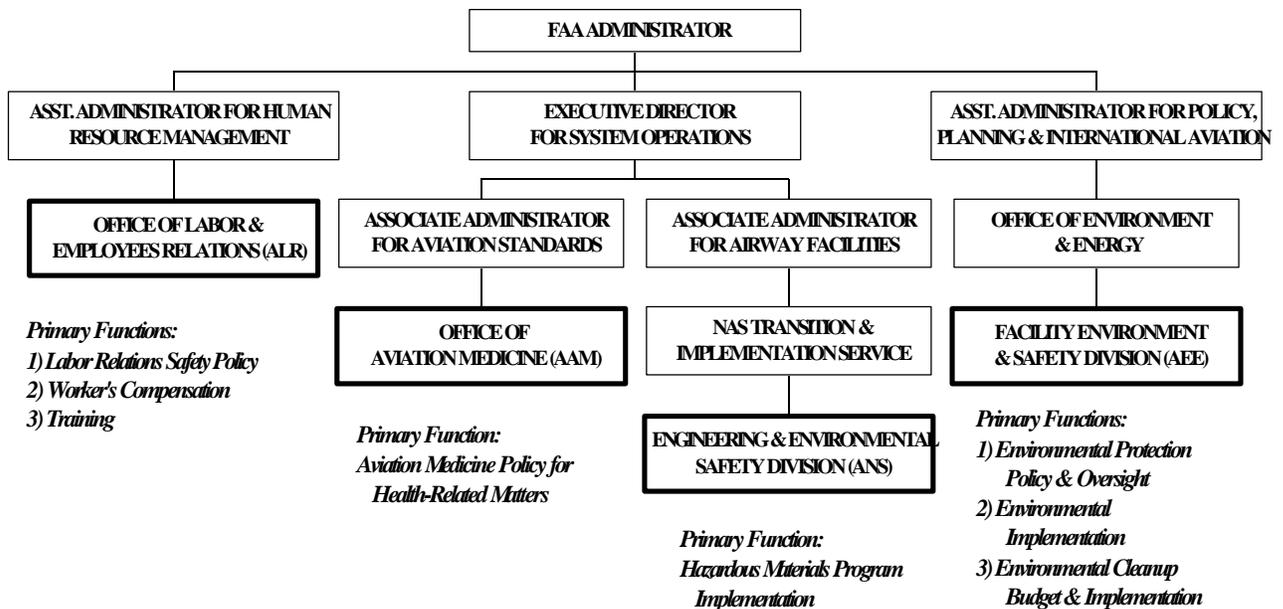
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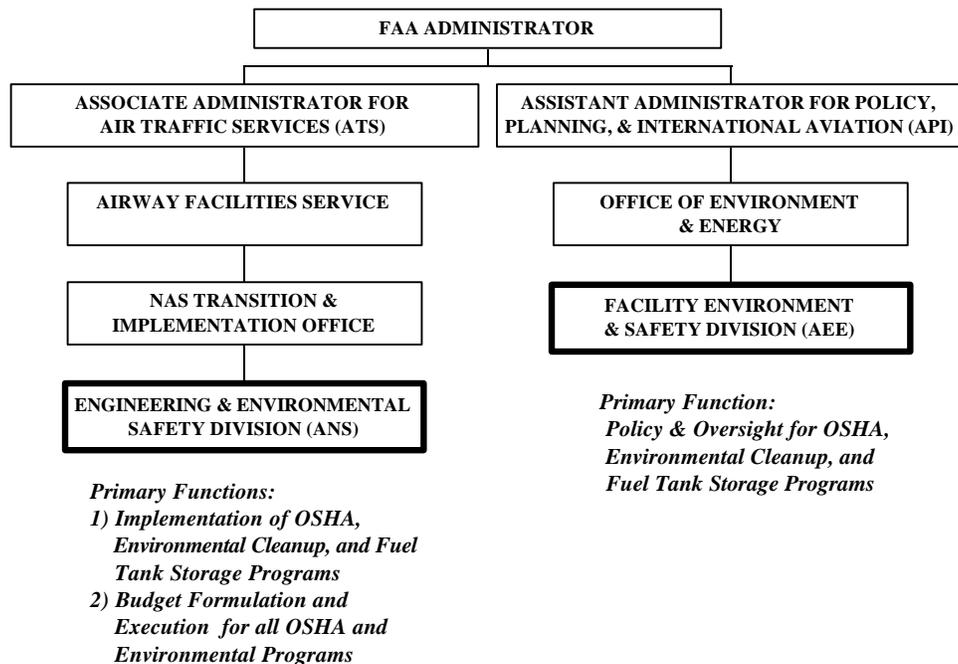
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BACKGROUND

As illustrated by the following organizational diagram, four FAA organizations shared the environmental and occupational Safety and Health Program responsibilities prior to 1994. These included: AEE, ANS, the Office of Aviation Medicine (AAM), and Office of Labor Relations (ALR). Whereas AAM and ALR were responsible for developing health and safety policy, all four FAA organizations were responsible for implementing policy and taking corrective action. The Occupational Safety and Health Administration (OSHA) inspections of FAA facilities have identified numerous violations. Based on a briefing paper prepared by the Associate Administrator for Airway Facilities (AOA), dated March 28, 1994, involvement of so many organizations resulted in a lack of program accountability and compliance--problems which attributed to OSHA citing FAA in 1994 as one of the Nation's top three safety violators among Federal agencies. FAA safety violations were reduced as FAA realigned its related safety functions and divisions.



Based on the AOA briefing paper and a report titled “A Safer Workplace”,¹ FAA consolidated its employee Occupational Safety and Health Program and certain environmental compliance functions in July 1994. To establish clear accountability and to separate policy and oversight from implementation responsibilities, FAA transferred all occupational safety and health policy and oversight responsibilities from ALR and AAM to AEE. FAA also transferred all implementation functions for occupational safety and health and environmental compliance, including AEE’s budget formulation and execution functions, to ANS. According to the Budget and Financial Manager in the Office of the Assistant Administrator for Policy, Planning, and International Aviation (API), FAA transferred budget functions from AEE to ANS because it was more cost-effective for one organization to administer the budget and ANS used the vast majority of program funding. The following diagram illustrates the two organizations currently responsible for FAA’s occupational safety and health programs.



¹ In this report, dated January 11, 1991, FAA’s Assistant Deputy Administrator recommended consolidating the health and safety program in AEE. The report, however, did not address other key issues such as funding and organizational roles and responsibilities.

The transfer of these major functions shifted the lines of authority for managing OSHA and environmental safety programs to API and the Associate Administrator for Air Traffic Service (ATS). AEE ultimately reports to API, while ANS reports to ATS.²

Since the consolidation, AEE functions primarily focus on determining what Federal, state, and local laws FAA needs to implement at its facilities and providing oversight. Examples of AEE functions include: (1) developing policy documents for FAA facilities to implement; (2) performing oversight audits and surveys to identify existing and potential OSHA and environmental safety problems, and (3) managing the Safety Management Information System by tracking program data entered by field personnel and performing trend analyses. In comparison, ANS mainly focuses on implementing AEE policies within FAA. Examples of ANS functions include: (1) instructing field personnel on how to implement AEE policies; (2) providing assistance and funding in support of Environmental Compliance Program requirements to FAA field personnel; and (3) providing FAA facilities technical direction to meet Energy Conservation Program objectives.

SCOPE AND METHODOLOGY

We conducted interviews with and obtained documentary evidence from the complainant and FAA managers from AEE and ANS (see appendix A for a list of FAA officials contacted during our review). We conducted our review in accordance with the President's Council on Integrity and Efficiency's Quality Standards for Inspections.

² AEE and ANS are nearly equivalent in staffing, with 11 and 12 personnel, respectively.

ALLEGATIONS AND FINDINGS

Allegation 1: AEE and ANS coordination efforts are unsatisfactory.

OIG Finding: Substantiated.

The complainant alleges AEE and ANS coordination efforts are unsatisfactory because of unclear and overlapping roles and responsibilities. We substantiated this allegation. Specifically, we found AEE and ANS M&F statements were unclear, with many functions overlapping and/or duplicative. We also found that FAA has not developed supplemental guidance to help clarify AEE and ANS key roles and responsibilities. In recognition of their problems, AEE and ANS managers are working towards minimizing their immediate coordination difficulties through regular meetings, as well as seeking clarification in their respective organizational roles and responsibilities in the long term.

Unclear M&F Statements. We found AEE and ANS M&F statements were unclear, with many functions overlapping and/or duplicative. According to the AEE Deputy Director, FAA’s Resource Oversight Committee³ reviewed and approved the new M&F statements when FAA consolidated OSHA and environmental safety functions in 1994. Yet, contrary to the Committee’s efforts to define specific organizational roles and responsibilities, AEE and ANS M&F statements remained unclear to AEE and ANS managers. According to the AEE manager, AEE and ANS M&F statements are too general and constantly need clarification. He stated that it is difficult to determine “where policy ends and implementation begins.” He also noted that the M&F statements do not focus on common program goals and objectives or program coordination.

With respect to overlapping functions, we found AEE’s responsibility to track data from field personnel and to perform trend analysis overlaps with ANS’ responsibility to ensure both regulatory tracking and risk analysis and to review compliance requirements. Similarly, both organizations appear to oversee compliance in the field, but their M&F statements do not describe to what extent. AEE’s statement requires that they “monitor and ensure regional and center compliance with regulations and program orders,” while ANS’ statement requires

³ The Administrator’s management team originally assigned a Resource Oversight Committee to define specific organizational roles and responsibilities for AEE and ANS during the consolidation. The committee included representatives from various FAA organizations such as AEE, ANS, AAM, and the Office of Human Resource Management.

them to “conduct environmental assessments by monitoring environmental conditions required by permits, agreements, and regulations”

Clarification of M&F statements could help resolve various “gray areas” between AEE and ANS. According to AEE and ANS managers, they particularly need clarification in the area of developing and implementing OSHA and environmental safety policies, as well as a number of other functions listed in the following table.

Policy Development	Determining the extent ANS and field personnel participate in the development of FAA, OSHA, and environmental safety policies.
Implementation Guidance	Developing field guidance for implementing AEE policies and for determining what role AEE plays in the development.
Oversight and Evaluation	Clarifying AEE’s on-site evaluation responsibilities in the field.
Budget Development	Developing and justifying OSHA and Environmental Program budgets and allocations.
Liaison Coordination for External Customers	Administering contact protocol when issuing and receiving information from external FAA customers (i.e., OSHA and the Environmental Protection Agency).
Coordination and Scheduling for AEE Policy Development and Implementation	Determining schedules and implementing AEE policies.

Impact of Coordination Problems. Because the M&F statements are unclear, the program coordination process frequently breaks down between AEE and ANS staffs. For example, the AEE manager described the difficulty ANS and AEE had in developing policy and implementation guidance for removing asbestos from FAA field facilities in 1995. He stated AEE and ANS lacked clear procedural guidance for developing policy documents for the project. Specifically, AEE and ANS managers had to negotiate an agreement on what part of the project was FAA policy development and what part was implementation guidance. As a result, the negotiation process between the two

managers delayed policy development by approximately 60 days. In another example, ANS and AEE disagreed as to which organization should make the determination of whether or not an employee is exposed to asbestos was above the permissible exposure limit when employee air monitoring data is unavailable. The project needed policy and implementation guidance. ANS said it was a policy issue, while AEE said it was a program implementation issue. Because the organizations lacked clear guidance, the negotiation between the two managers delayed policy development approximately 90 days. In this instance, AEE decided to handle the responsibility by using both AEE and ANS as reviewers and the Federal Air Surgeon as the coordinator.

In a June 18, 1996 AEE and ANS Managers Meeting, the managers discussed how the lack of program coordination and guidance impacted their staffs. Specifically, the managers addressed the difficulty both staffs had when they attempted to schedule meetings and coordinate program policy documents with one another. According to AEE and ANS managers, the lack of clear guidance contributes to continuous "territorial disputes." The AEE staff finds it difficult to give up implementation functions they had before the consolidation. In contrast, the ANS staff wants to develop their own implementation policies because ANS involvement with field personnel is closer than AEE's and they can establish policy more efficiently. Clearer M&F statements, as well as supplemental procedural guidance (such as MOUs or SOPs), would minimize the staffs' frustrations by better defining their respective roles and responsibilities and helping minimize organizational disagreements.

Ongoing Remedial Actions. In recognition of their program coordination problems, AEE and ANS are undertaking several remedial actions. For instance, AEE and ANS managers told us they meet on an as-needed basis (e.g., sometimes as often as three to four times a week) to resolve immediate program coordination problems. Additionally, representatives from the AEE and ANS staffs meet quarterly at FAA facilities to discuss how to implement AEE policies. Because these meetings focus on resolving immediate problems and not on improving the overall coordination process, AEE and ANS managers are seeking external assistance. One current initiative jointly sponsored by AEE and ANS involves obtaining a consultant to assist them in identifying the "best practices" of other Federal agencies with similar OSHA and Environmental Safety Program responsibilities. In doing so, AEE and ANS hope to adopt practices that will help correct existing problems, and, in turn, improve their respective operations. The AEE manager anticipates FAA will award a contract after January 1997.

Recommendations

In addition to ongoing remedial actions being taken by AEE and ANS, we recommend the Directors of the Office of Environment and Energy and the NAS Transition and Implementation Office:

1. Revise AEE and ANS M&F statements to eliminate any overlap and/or duplication of functions.
2. Issue supplemental guidance (e.g., MOUs or SOPs) to clarify any remaining issues not addressed in AEE and ANS revised M&F statements.

Agency Comments. In a teleconference on January 6, 1997, managers from AEE and ANS concurred with our recommendations. As a result, the managers and their superiors from both organizations scheduled a meeting for the week of February 17, 1997, to review current M&F statements and to discuss milestones for establishing any necessary MOUs.

Evaluation of Agency Comments. Planned action is responsive to the recommendations. However, we request that AEE and ANS inform us, after the February 1997 meeting, of projected milestones for revising the M&F statements and issuing any necessary supplemental guidance. In addition, we request that AEE and ANS provide us copies of final M&F statements and supplemental guidance.

Allegation 2: ANS may jeopardize AEE programs by using AEE funds for ANS functions.

OIG Finding: Not Substantiated.

The complainant alleges ANS may jeopardize AEE programs by using AEE funds for ANS functions. We did not substantiate this allegation. Instead, we found FAA fenced⁴ \$1.2 million for AEE's OSHA Program and \$800,000 for AEE's Environmental Cleanup Program annually from 1995 to 1998 to ensure FAA compliance with Federal, state, and local regulations. In addition, although \$150,000 was transferred from AEE's Environmental Cleanup budget to ANS in 1996, AEE supported this action for several reasons. These included: (1) ANS had begun several projects in the field that both ANS and AEE saw as being high priority, and (2) AEE was understaffed by two Environmental Specialist positions and could not use all of its Fiscal Year (FY) 1996 funding.

⁴ Fenced funds are budgets allocated to programs to meet specific program requirements.

Rationale for Centralized Environmental Budget. ANS manages the AEE budget to deter congressional budget reductions and to minimize budget analyst staffing requirements. According to the API Budget and Financial Manager and the Director, Office of Environment and Energy, ANS uses the majority (approximately 96 percent) of the OSHA and Environmental Safety Program funding appropriated by Congress.⁵ They further noted AEE's portion of the funding is so small that if FAA established a separate line item, AEE programs could be jeopardized. In addition, having a single line item for AEE and ANS is administratively more cost effective, requiring less staffing to manage one central budget as opposed to two separate budgets.

Resolution Process for Funding Disagreements. According to the API Budget and Financial Manager, a resolution process is available to address funding disagreements between AEE and ANS. When AEE and ANS managers cannot resolve their differences, they refer issues up through their chain of authority (i.e., each organization's Director and the Associate/Assistant Administrators). If the Administrators cannot resolve the issue, then FAA's Joint Resource Committee can propose a solution. The committee uses project priorities and other significant factors as a basis for resolutions. If the committee's proposal is not satisfactory to AEE and ANS, the committee will forward its recommendation to the FAA Administrator for a final determination. This process, however, has never been used, since AEE and ANS have been able to resolve their funding issues at the division level. One example, as previously discussed, was AEE's agreement to transfer \$150,000 to ANS.

⁵ In FY 1996, total funding for FAA's OSHA and environmental safety programs was approximately \$53 million.

Appendix A

REVIEW CONTACTS

FAA NATIONAL HEADQUARTERS WASHINGTON, D.C.

- Director, Office of Environment and Energy
- Deputy Director, Office of Environment and Energy
- Manager, Office of Environment and Energy, Facility Environment and Safety Division
- Manager, Office of Policy, Planning, and International Aviation, Budget and Financial
- Manager, National Airspace System Transition and Implementation Office, Engineering and Environmental Safety Division

ACRONYMS

AAM	Office of Aviation Medicine
AEE	Office of Environment and Energy, Facility Environmental and Safety Division
ALR	Office of Labor Relations
ANS	Airway Facilities, Engineering and Environmental Safety Division
API	Office of Policy, Planning, and International Aviation
AOA	Office of the Administrator
ATS	Air Traffic Service
FAA	Federal Aviation Administration
FY	Fiscal Year
M&F	Mission and Function
MOU	Memorandum of Understanding
NAS	National Airspace System
OSHA	Occupational Health and Safety Administration
OIG	Office of Inspector General
SOP	Standard Operating Procedure

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