



U.S. OFFICE OF SPECIAL COUNSEL
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April 1, 2010

The President
The White House
Washington, D.C. 20500

Re: OSC File No. DI-08-1623

Dear Mr. President:

The Office of Special Counsel (OSC) received disclosures from Mr. Douglas E. Peters, an Aviation Safety Inspector with the Department of Transportation (DOT), Federal Aviation Administration (FAA), American Airlines (American) Certificate Management Office (American CMO), Irving, Texas. Mr. Peters, who consented to the release of his name, alleged that high-level officials within FAA's Flight Standards Service improperly intervened to assist American after he found American non-compliant with an Airworthiness Directive (AD). This intervention resulted in the continued operation of aircraft despite the non-compliance, jeopardizing public safety and further compromising the integrity of the FAA and its Flight Standards Service.

Pursuant to 5 U.S.C. § 1213(c) and (d), on April 28, 2008, OSC requested the Honorable Mary Peters, then-Secretary of Transportation, to conduct an investigation. Then-Secretary Peters delegated authority to the Honorable Calvin L. Scovel, III, DOT Inspector General, to conduct the investigation. On August 13, 2009, the Honorable Ray LaHood, Secretary of Transportation, submitted an agency report to OSC.

The agency report partially substantiated Mr. Peters' allegations. The agency found that FAA management failed to act properly in response to an aviation inspector's findings of AD non-compliance regarding rudder inspections for American Boeing 757 aircraft. The agency report, however, found that FAA's regional management team, in evaluating the noncompliance issue, exercised their discretion and directed a second outside opinion before declaring that American was in non-compliance with aviation safety regulations. As a result, while FAA ultimately concurred with Mr. Peters' findings, the ensuing two-day delay in securing a second opinion enabled American to take actions to address the safety problem under the AD. Because American addressed the rudder inspections problem as required during this short timeframe, such actions consequently prevented the grounding of its aircraft. Thus, the agency report did not substantiate Mr. Peters' allegations that FAA allowed American to continue operation of 124 aircraft despite having found noncompliance with an AD.

The agency report, however, found that FAA ordered its 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 wiring of MD-80 aircraft, as required under AD 2006-07-23 and AD 2006-15-15, respectively. While the agency report found that these decisions were not improper, they nonetheless fostered the perception by Mr. Peters and other inspectors that FAA was improperly 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 Review Team to review and recommend improvements in the AD process. The review team finalized multiple recommendations and submitted them to the Honorable J. Randolph Babbitt, FAA Administrator. The agency report also states that Secretary LaHood has directed Administrator Babbitt to update him on his efforts in these critical areas. Moreover, in May 2008, then-Secretary Peters appointed an Independent Review Team to examine FAA's safety culture and approach to management. Multiple recommendations are under review and scheduled to be implemented prior to the end of 2010. Furthermore, in June 2009, OIG identified that seven major airline carriers, including American, missed inspections of critical maintenance areas. Thus, OIG continues its audit and work with FAA's Air Transportation Oversight System to address these aviation vulnerabilities.

Pursuant to 5 U.S.C. § 1213(e)(1), on September 1, 2009, OSC sent the agency report to Mr. Peters for his review. On January 14, 2010, OSC received Mr. Peters' comments on the agency report. He was critical, and stated that the agency failed to identify the unlawful actions taken by FAA senior management personnel at the Southwest Regional Headquarters and FAA Headquarters when officials allowed American to operate Boeing 757-233 and MD-80 aircraft in non-compliance with Federal Aviation Regulations. Mr. Peters emphasized that FAA personnel involved in recalling the inspection team were in dereliction of their duties to ensure the safety of aircraft. OSC is now transmitting the agency report and the whistleblower's comments to you.

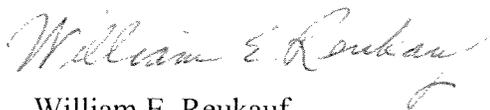
OSC has reviewed the original disclosures, the agency report, and the whistleblower's comments. Based on that review, OSC has determined that the agency report contains all of the information required by statute, and that its findings appear to be reasonable.

As required by § 1213(e)(3), OSC has sent copies of the agency report and the whistleblower's comments to the Chairman and Ranking Member of the Senate Committee on Commerce, Science, and Transportation, and the Chairman and the Ranking Member of the

The President
Page 3

House Committee on Transportation and Infrastructure. OSC has also filed copies of the agency report and the whistleblower's comments in our public file and closed the matter.

Respectfully,

A handwritten signature in cursive script that reads "William E. Reukauf". The signature is written in black ink and is positioned above the printed name.

William E. Reukauf
Associate Special Counsel

Enclosures