



# Memorandum

**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: INFORMATION: Audit Announcement –  
Update on ATCOTS Contract Challenges  
Federal Aviation Administration  
Project No. 12Z3002Z000

Date: February 7, 2012

From: Mary Kay Langan-Feirson  
Assistant Inspector General for Acquisition and  
Procurement Audits

Reply to  
Attn. of: JA-60

To: Director, Audit and Evaluation

The Federal Aviation Administration (FAA) plans to hire and train over 10,000 air traffic controllers through fiscal year 2020 to replace the large pool of air traffic controllers hired after the 1981 strike and is now retiring. In September 2008, FAA awarded Raytheon the Air Traffic Control Optimum Training Solution (ATCOTS) contract—a \$859-million, performance-based contract intended to provide up to 10 years of controller training support and to assist in modernizing the Agency’s training program. On September 30, 2010, the Office of Inspector General (OIG) reported that the ATCOTS contract faces serious challenges, including significant cost overruns, inadequate procurement practices, and ineffective contract oversight.<sup>1</sup>

Senator Claire McCaskill, Chairman of the Subcommittee on Contracting Oversight, subsequently requested that we conduct a review of FAA’s contract for the ATCOTS program. Consistent with Chairman McCaskill’s request, our audit objectives are to determine whether FAA: (1) has implemented changes to improve program and contract oversight; (2) established effective performance measures to support ATCOTS training goals; and (3) can achieve ATCOTS training goals under the current contract.

We plan to begin the follow-up audit in February at FAA Headquarters, FAA Academy, and selected air traffic control facilities. OIG’s Office of Acquisition and Procurement Audits (JA-60) will lead this matrix audit with support from the Office of Aviation and Special Programs Audits (JA-10).

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<sup>1</sup> OIG Report Number AV-2010-126, “FAA’s Air Traffic Controller Optimum Training Solution Program: Sound Contract Management Practices Are Needed to Achieve Program Outcomes,” September 30, 2010. OIG reports are available on our website at <http://www.oig.dot.gov/>.

We will contact your audit liaison to schedule an entrance conference. If you have any questions or need additional information, please contact Terrence Letko, Program Director, at (202) 366-1478 or Dormayne Dillard-Christian, Project Manager, at (202) 366-8011.

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cc: Anthony Williams, AAE-001  
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