

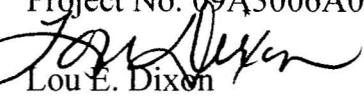


# Memorandum

U.S. Department of  
Transportation  
Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: INFORMATION: Audit Announcement -  
Organization Designation Authorization and  
Risk-Based Resource Targeting  
Federal Aviation Administration  
Project No. 09A3006A000

Date: July 16, 2009

From:   
Lou E. Dixon  
Assistant Inspector General  
for Aviation and Special Program Audits

Reply to  
Attn. of: JA-10

To: Assistant Administrator for Financial Services  
and Chief Financial Officer

The Federal Aviation Administration (FAA) oversees and regulates a myriad of aviation activities designed to ensure the safety of the flying public. To manage FAA's limited resources, the FAA regulations permit the Agency to delegate certain functions (e.g., aircraft certification work) to individuals or organizations such as repair stations or aircraft manufacturers. In 2005, FAA established the Organization Designation Authorization (ODA) program in an effort to consolidate these various organizational delegations and to standardize FAA oversight. By November 2009, FAA plans to transition all organizational delegations into the ODA program.

FAA is also implementing Risk-Based Resource Targeting (RBRT), which classifies certification projects in low, medium, and high risk categories. FAA requires that its engineers and managers focus their oversight on projects deemed to have the highest risk.

At the request of Representative Daniel Lipinski of the House Committee on Transportation and Infrastructure, we plan to review the ODA and RBRT processes. Representative Lipinski expressed concerns that, under the ODA program, FAA allows companies to choose the individuals to perform work for the ODA without direct FAA oversight and involvement in the certification process and that this could prevent FAA engineers from requiring design changes to new aircraft before they are in service. With regard to RBRT, Representative Lipinski expressed concerns that FAA's RBRT policy negatively impacts safety oversight by precluding FAA

engineers from reviewing certification projects that are deemed “low” or “medium” risk.

Accordingly, our audit objectives are to determine: (1) the role FAA plays in the selection process for individuals who perform work under the Agency’s ODA program; (2) the adequacy of FAA’s safety oversight of the program; and (3) the effectiveness of FAA’s RBRT assessment process.

Our audit will include visits to FAA Headquarters, Aircraft Certification Offices, Manufacturing Inspection District Offices, and selected aircraft manufacturers around the country. We plan to initiate field work on August 10, 2009, and will contact your audit liaison to schedule an entrance conference. If you have any questions, please contact Robin Koch, Program Director, at (404) 562-3770, or Marshall Jackson, Project Manager, at (202) 366-1481.

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cc: FAA Chief of Staff  
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