



Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation
Office of Inspector General

Subject: **INFORMATION:** Audits Initiated of FAA's
Oversight of Air Carrier Operations
Federal Aviation Administration
Project Numbers 08A3010A000, 08A3010A002,
and 08A3010A001

Date: June 24, 2008

From: 
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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

In recent months, Congress has expressed concerns regarding the Federal Aviation Administration's (FAA) oversight of the U.S. airline industry. These concerns were prompted by the highly publicized breakdown in FAA's oversight of Southwest Airlines and resulted in several congressional hearings in April. The hearings highlighted weaknesses in FAA's risk-based Air Transportation Oversight System (ATOS), particularly with regard to air carrier compliance with Airworthiness Directives (AD).

As a result of the hearings, the House Committee on Transportation and Infrastructure and the Senate Subcommittee on Aviation Operations, Safety, and Security requested that our office review the FAA programs and oversight weaknesses that contributed to the situation at Southwest Airlines. In addition, during the same time period, our office received reports of concerns related to FAA's oversight of maintenance practices at one air carrier. Accordingly, we will conduct a series of audits that will examine: (1) FAA's implementation of ATOS, (2) FAA's review of air carrier compliance with ADs, and (3) FAA's oversight of maintenance practices at one air carrier. Our objectives for each review are provided below.

- **Congressionally Requested Follow-Up Review of ATOS:** The objective of this review is to determine whether FAA has: (1) completed timely inspections of air carriers' systems for monitoring critical maintenance programs, (2) tested and validated that these carrier systems are operating effectively, and (3) effectively implemented ATOS for the remaining air carriers regulated under 14 C.F.R. § 121.
- **Congressionally Requested Review of FAA's Special Inspection of Air Carrier AD Compliance:** The objective of this review is to evaluate FAA's two-part, special-emphasis inspection of air carriers' compliance with ADs. Specifically, we will evaluate whether FAA: (1) selected a representative sample of ADs for review, (2) thoroughly reviewed air carriers' compliance with the selected ADs, and (3) ensured that air carriers implemented corrective actions to improve AD compliance where needed.
- **Review of FAA's Oversight of Maintenance Practices at One Air Carrier:** The objective of this review is to determine whether: (1) maintenance-related incidents, such as in-flight emergencies and diversions or other negative maintenance-related trends, have increased at this air carrier and (2) FAA has verified that the air carrier's maintenance program, including its system of continuing analysis and surveillance, is operating effectively.

Our reviews will include visits to FAA's Headquarters, regional, and field offices and various air carrier offices. As discussed with the Director of Flight Standards Service on May 12, 2008, we began work on these reviews starting June 2, 2008. We will contact your audit liaison to schedule an entrance conference to discuss our objectives in greater detail. If you have any questions or require additional information, please contact Tina B. Nysted, Program Director, at (404) 562-3770.

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cc: FAA Chief of Staff
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