

**FEDERAL MEDIATION AND CONCILIATION SERVICE**

**FISCAL YEAR 2009**

**Congressional Budget Submission**

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## **Fiscal Year 2009 Budget Estimates**

### **I. Executive Summary**

For over 60 years, the Federal Mediation and Conciliation Service (FMCS or Agency) has delivered neutral and confidential conflict resolution assistance to the nation's unionized workplaces. The core mission of FMCS is to help employers and unions avoid costly work stoppages and minimize their potentially devastating effects on regional or national commerce.

As labor-management relationships evolve in response to changes in the national and global economic environment, so too have the Agency's strategies for helping both sides to engage in a productive economic relationship. A formidable challenge for the Agency in formulating its strategic approach to mediation is the largely voluntary nature of mediation in collective bargaining. Even if a collective bargaining relationship would benefit from mediation or some other intervention, the Agency cannot force the parties to accept its assistance or impose upon them any solutions it may offer.

Building and maintaining constructive labor-management relationships requires the Agency's field mediators to be skilled facilitators, instructors, and labor-management relationship experts to the private and government sectors of the economy and to provide a wide variety of specialized services to the parties. Parties rely upon a mediator's expertise and experience to guide them through complex and time-sensitive issues. The Agency also maintains and provides rosters of arbitrators. The Agency believes that its comprehensive package of programs and services presents an effective way of promoting and maintaining healthy collective bargaining relationships. Through its work, the Agency provides a significant economic benefit to American businesses, their unionized employees, and the American taxpayer.

## A. Achievements

With its history of more than 60 years of providing mediation, training, and facilitation services, FMCS has more experience in dispute resolution than any other government agency. The best indication of the Agency's success is work stoppages which do not occur and collective bargaining relationships that do not lead to conflict in the workplace. Because these successes are difficult to quantify, the Agency estimates its impact on the national well-being through an economic model created specifically for it and evaluates its organizational effectiveness through a number of other measures. The Agency also continually reaches out to labor and management both domestically and abroad through its training and its international programs to encourage the development of positive labor-management relationships.

### **Positive Economic Impact**

In FY 2005, to determine the impact of its services, FMCS entered into an agreement with the Employment Policy Foundation (EPF), a nonprofit, nonpartisan public policy research foundation that focuses on workplace trends. Using EPF's conservative modeling techniques, the Agency estimates that work stoppages in FY 2006 and FY 2007 caused employees and businesses to lose an estimated \$1.5 billion in wages and profits. Disruption to ancillary businesses is estimated to have cost an additional \$1.6 billion during this period.

EPF research also showed that early FMCS involvement is critical even when work stoppages occur. In FY 2007, FMCS involvement at any time prior to contract expiration reduced the duration of any subsequent work stoppage by an average of **29 percent**. When FMCS met with the parties before the contract expired, work stoppages lasted an average of 53 days. However, in cases where the parties consented to mediation only after the contract expired, the average work stoppage lasted 74 days.

While the work stoppages data help demonstrate the direct economic benefits of mediation, the data dramatically understate the real value FMCS's services bring to the U.S. economy. That value is harder to measure in precise economic terms because of the difficulty in modeling the actual value of the stoppages that are avoided through mediation.

### **Relationship-Building**

FMCS seeks to strengthen labor-management relationships by providing preventative mediation services. These programs help labor and management develop collaborative problem-solving approaches for responding to changes in business and economic conditions that may arise during the term of a contract. These training programs not only improve the quality of the parties' relationships but also make future mediation efforts more effective. In FY 2007, Agency mediators worked more than 2,500 training cases, performing activities such as setting up labor-management committees, conducting on-site relationship evaluations, and helping labor and management develop their collaborative problem-solving skills.

Beyond the nation's borders, FMCS plays an important role in promoting collective bargaining and conflict resolution around the world. FMCS's international efforts help to level the economic playing field for U.S. companies and workers by strengthening the rule of law and workers' rights in developing countries. Equally important, FMCS helps establish the labor relations institutions that are essential to the smooth functioning of free market economies.

### **Organizational Efficiency**

FMCS is committed to using allocated resources efficiently. In FY 2007, for the third consecutive year, the Agency used a performance matrix to measure the caseload performance of its field offices. This performance matrix compares each of its field stations against the Agency's national caseload averages. Performance is evaluated over a rolling period of four fiscal years to determine collective bargaining trends in specific field stations. The results help ensure that staff and resources are effectively allocated.

## **B. Future Challenges**

Many different external factors influence the ability of the Agency to perform its work as well as the type of work that it does. For the upcoming year and beyond, the Agency will monitor emerging trends in mission-critical areas and spend considerable effort keeping mediators informed and up to date on the latest labor relations developments.

### **Expiring Contracts**

For FY 2008, the Agency will monitor nearly 15,000 collective bargaining agreements many of which are in key private sector industries, including construction, manufacturing (steel), aerospace, international shipping and the telecommunication industries. These and other expiring contracts account for more than 38 percent of the private sector unionized workforce, or 3 million workers. Looking further ahead to FY 2009, the Agency anticipates over 14,000 expiring contracts to cover at least 26 percent of the private sector unionized workforce, or 2.1 million workers. The Agency estimates that direct wage losses alone from a single day of work stoppage in the largest of these expiring contracts would easily exceed FMCS's entire annual budget and cause avoidable damage to the national economy.

### **Pay and Benefit Trends**

U.S. companies, large and small, are being impacted by the rising cost of health care. Pension costs and retirement security also have become the source of increased conflict during contract negotiations. Recent legislative and regulatory changes in the nature and structure of employer-provided retirement systems have increased the complexities of these issues.

### **Skills Maintenance**

Updating the skills of FMCS mediators is an ongoing process and essential to ensuring that Agency mediators are well prepared for issues that they might face while performing their work. Additional training will be deployed in FY 2008 and FY 2009

that focuses on the recent legislative and regulatory changes that impact employees' retirement security and the parties' continuing struggle to contain health care costs, as well as specific issues arising in industries critical to the nation's economy. Significant emphasis will be placed on increasing the parties' understanding of mediation benefits and increasing the number of negotiations in which FMCS mediators are active.

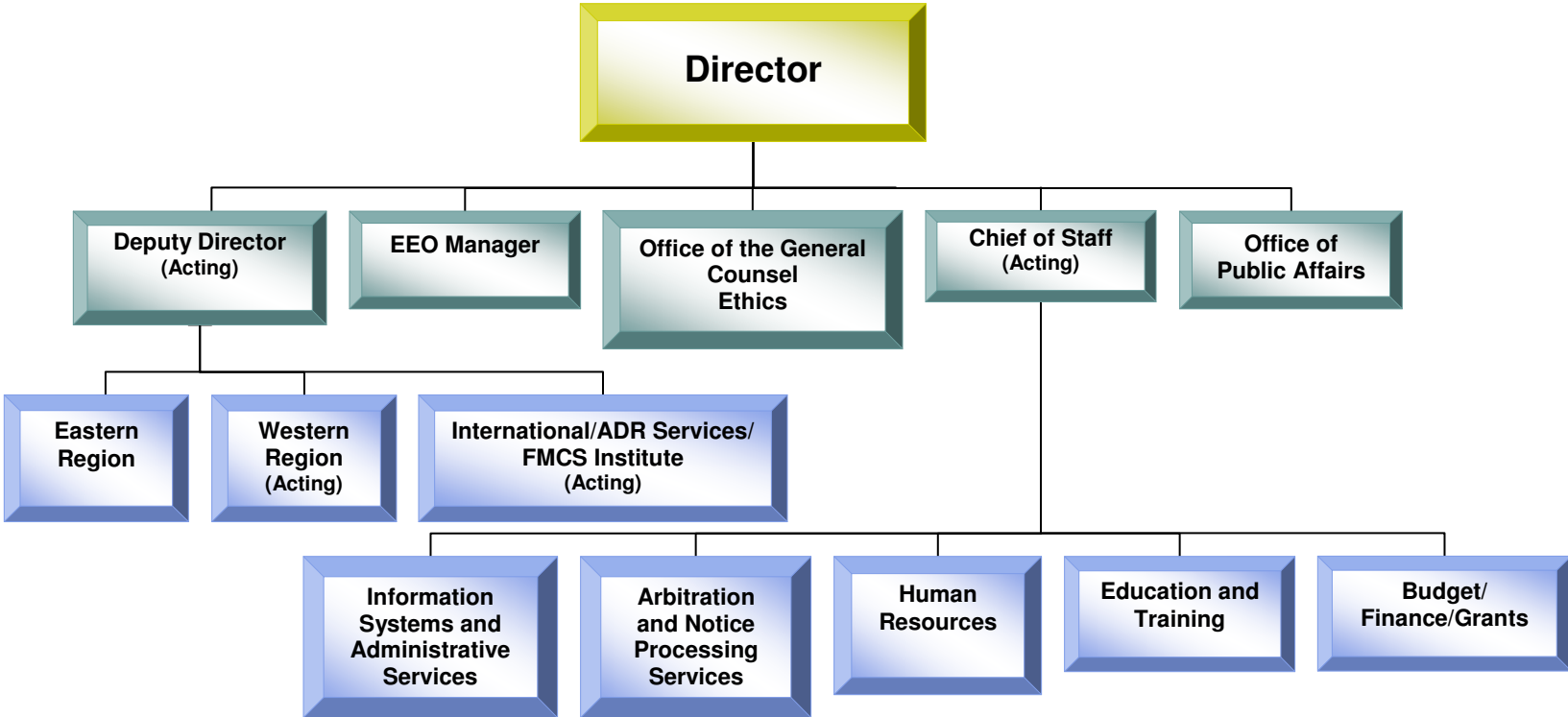
### **C. Conclusion**

FMCS's mission statement reflects the statutory foundation of the Agency: To promote the development of sound and stable labor-management relationships and to prevent or minimize work stoppages by assisting labor and management in settling their disputes through mediation.

As the scope and complexity of collective bargaining issues facing labor and management grow, FMCS will continue to play a critical role in averting labor strife that can damage the competitiveness and productivity of U.S. companies, the welfare of their employees, and our nation's economic well being. Given the anticipated size and number of collective bargaining mediations in FY 2009, the complexity of the issues the parties face, and the increased demand and expectations of the labor-management community for FMCS services which make collective bargaining more effective, we urge you to favorably consider this respectful request for \$44,826,000.

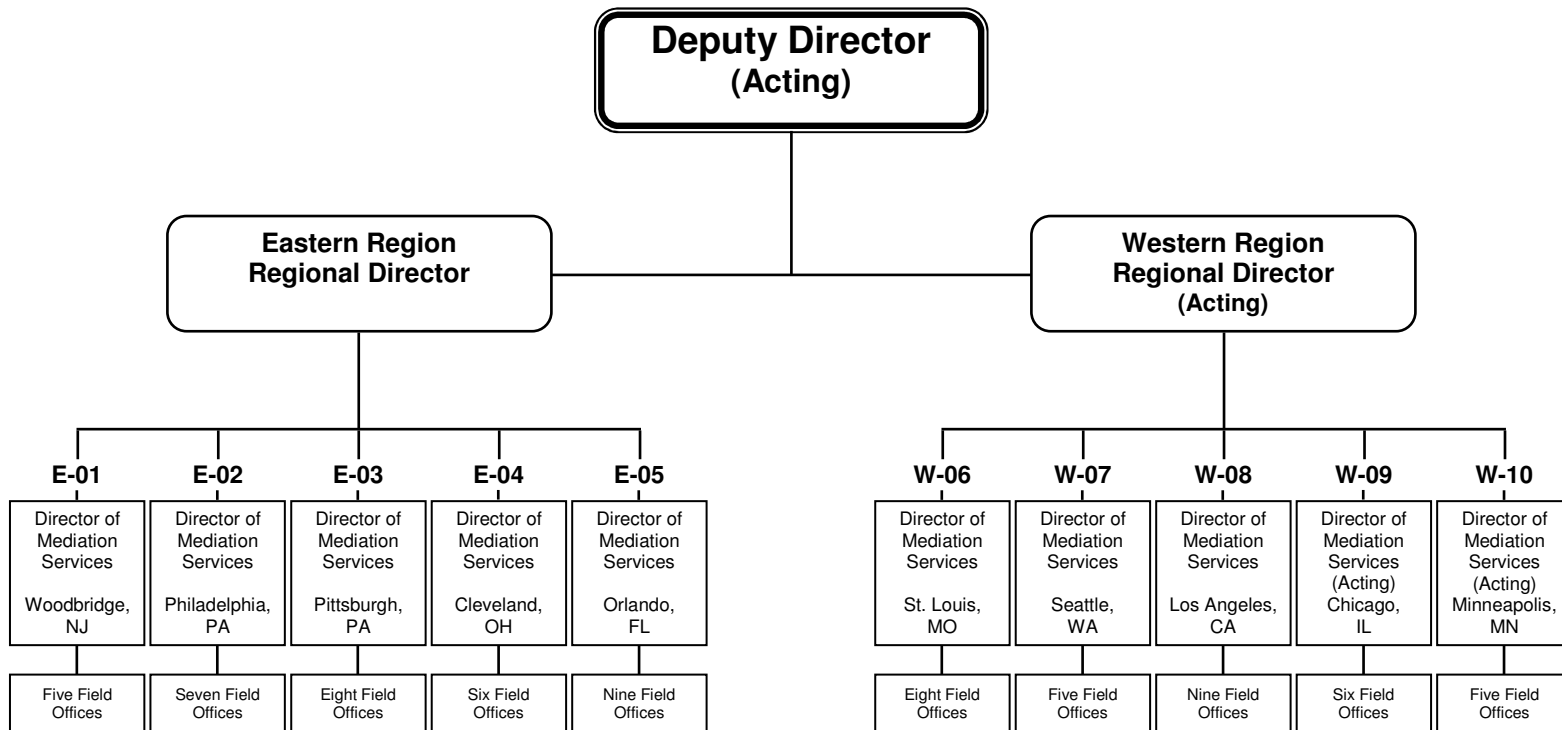
II. FMCS Organizational Charts

National Management Structure



As of Feb. 1, 2008

## Field Office Organization



Sixty-eight (68) Field Offices

As of Feb. 1, 2008



### III. Appropriation Language

#### FEDERAL MEDIATION AND CONCILIATION SERVICE

#### SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor Management Relations Act of 1947 (29 U.S.C. 171-180, 182-183), including hire of passenger motor vehicles; for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95-454 (5 U.S.C. Ch 71), [\$43,034,814] \$44,826,000: *Provided*, That notwithstanding 31 U.S.C. 3302, fees charged, up to full-cost recovery, for special training activities and other conflict resolution services and technical assistance, including those provided to foreign governments and international organizations, and for arbitration services shall be credited to and merged with this account, and shall remain available until expended: *Provided further*, That fees for arbitration services shall be available only for education, training, and professional development of the Agency workforce: *Provided further*, That the Director of the Service is authorized to accept and use on behalf of the United States gifts of services and real, personal, or other property in the aid of any projects or functions within the Director's jurisdiction. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 2008.*)

## IV. Statutory and Other Legal Authority

### FEDERAL MEDIATION AND CONCILIATION SERVICE

The Federal Mediation and Conciliation Service was established by Title II of the Labor-Management Relations Act (Taft-Hartley) in 1947 as an independent agency of the Federal Government whose primary mission is to prevent and minimize labor-management disputes affecting interstate commerce by providing mediation, conciliation, and voluntary arbitration services. All mediation and conciliation functions of the Secretary of Labor and the United States Conciliation Service were transferred to FMCS at that time. This mission includes both the private and public sectors, except for the railroad and airline industries, which are covered by the Railway Labor Act administered by the National Mediation Board.

The Civil Service Reform Act of 1978 authorized FMCS to assist with dispute resolution in federal sector labor disputes. The Labor-Management Cooperation Act amended the Taft-Hartley Act in 1978 and directed FMCS to encourage labor-management cooperative activities. It also authorized the issuance of grants to support joint labor-management activities conducted by plant, area, public sector and industry-wide committees.

In 1990, the Agency was authorized by the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act to assist other federal agencies in resolving disputes arising out of grants, contracts, licenses, or other agency administrative actions, and to assist in the process of negotiated rulemaking. The Administrative Dispute Resolution Act of 1996 amended and permanently reenacted these 1990 Acts.

The Homeland Security Act of 2002 contains specific provisions “to ensure collaboration” between management of the Department of Homeland Security and employee representatives that include the availability of FMCS mediation in the event that the parties are unable to agree on proposed personnel changes. Similar provisions have been enacted with respect to FMCS’s availability to the Department of Defense and the Department of Veterans Affairs. In addition to specifically mandated services, FMCS has offered traditional mediation services (applied to both collective bargaining and employment disputes), facilitation and training functions (applied particularly to the merging of different agency cultures), convening of disparate agency and private groups, and conflict systems design assistance and training for organizational/workplace disputes as well as for handling external complaints.

Over the years, Congress and the Executive Branch have authorized FMCS to perform a variety of dispute resolution functions as well as to assist in the improvement of labor-management relationships. Specific statutory and other authorizations of Agency programs are described below.

- I. The Labor-Management Relations Act of 1947 (Public Law 80-101, 29 U.S.C. 158(d), 173 et seq.) directs the Service to prevent or minimize interruptions to the free flow of commerce growing out of labor disputes by helping the parties settle such disputes through mediation. Parties are required to notify the Service 30 days prior to a contract termination or modification date so that mediation services may be proffered.

The Act establishes a special procedure for threatened or actual strikes which, in the opinion of the President, imperil the national health or safety. In such situations, the President may appoint a board of inquiry to ascertain the facts with respect to the dispute. After receipt of a report, the President may seek to enjoin the strike, and a court may do so if it finds that the threatened or actual strike or lockout affects a substantial part or all of an industry and would imperil the national health or safety.

- II. The Health Care Amendments of 1974 (Public Law 93-360, 29 U.S.C. 158(d) (4)) (amending the National Labor Relations Act) include special provisions intended to prevent or minimize work stoppages in the health care industry. In the case of this industry, FMCS must be notified 60 days before the contract termination date. A 30-day notice is required in initial bargaining situations. If, in the opinion of the Director, a strike is threatened which would interrupt the delivery of health care in a locality, the Director may appoint a board of inquiry (29 U.S.C. 183). The board has 15 days within which to operate and file its report and recommendations; parties must maintain the status quo for 15 days thereafter while further negotiations and mediation take place. The parties are required to cooperate in any mediation efforts by FMCS.
- III. The Civil Service Reform Act of 1978 (Public Law 95-454, 5 U.S.C. 7119(a)) directs the FMCS to provide mediation assistance in disputes arising from negotiations between federal agencies and the exclusive representatives of their employees.
- IV. The Postal Reorganization Act of 1970 (Public Law 91-375, 39 U.S.C. 1207) requires the FMCS to establish fact-finding panels and arbitration boards in disputes between the Postal Service and the exclusive representatives of its employees.
- V. Presidential Statement, March 24, 1953. The Atomic Energy Labor-Management Relations Panel was established within the FMCS in March 1953, by President Eisenhower, in order to ensure the uninterrupted

functioning of the atomic energy program without strikes or lockouts due to labor-management disputes. This Panel was moved to the Atomic Energy Commission in March 1956 but was returned to the FMCS under an inter-agency agreement with the Department of Energy in April 1980 and renamed the Energy Labor Management Relations Panel (ELMRP).

- VI. Executive Order 11374, October 11, 1967, transferred the responsibilities of the Missile Sites Labor Commission (created by Executive Order 10946) to provide priority resolution of labor disputes at missile sites to the FMCS.
- VII. The Federal Insecticide, Fungicide and Rodenticide Act of 1978, as amended (Public Law 95-396, 7 U.S.C. 136a(c)(1)(F)(iii)) requires the FMCS to provide for the appointment of arbitrators to decide disputes concerning compensation for the use or development of pesticide registration data.
- VIII. The Labor Management Cooperation Act of 1978 (Public Law 95-524, 29 U.S.C. 175a, 186) added Sections 205A and 302(c)(9) to the Labor-Management Relations Act and authorizes and directs the FMCS to encourage and support joint labor-management activities conducted by plant, area, and industry-wide committees designed to improve labor-management relationships, employment security, and organizational effectiveness. The Act authorizes the Service to provide grant funds to assist in the establishment and operation of these labor-management committees.
- IX. The Administrative Dispute Resolution Act of 1996 (Public Law 104-320, 5 U.S.C., 571, et seq., 29 U.S.C.173(f)) authorizes and encourages agencies to use various alternative means of dispute resolution in the federal administrative process in order to avoid the time and expense of litigation. The 1996 Act amended and permanently reenacted the Administrative Dispute Resolution Act of 1990 as well as the Negotiated Rulemaking Act of 1990. The repeal of the sunset dates and the reporting requirements of the Acts suggest that the ADR and regulatory-negotiation “experiments” have become well-accepted processes of federal agencies.

Under the 1996 Act, coverage has been expanded to include additional dispute resolution techniques, such as “ombudsmen,” and the use of ADR in some workplace conflicts, including Hatch Act violations, retirement, insurance, certain suspensions, removals, examinations, and appointments. The 1996 Act encourages the development of guidelines to expedite the selection of neutrals and to facilitate the use of alternative dispute resolution in the Federal Government.

Lastly, this legislation amends the Labor-Management Relations Act of 1947 (Taft-Hartley) by permanently adding Section 173(f) of Title 29 of the United States Code so that the FMCS may provide all forms of ADR assistance to federal agencies. Under this legislation, the FMCS continues to assist agencies in negotiated rulemaking processes as well as other ADR procedures by providing training, facilitation, mediation, and other neutral skills.

- X. The U.S. Code of Federal Regulations at 45 CFR 90.43(c)(3), issued by the Department of Health and Human Services, implementing its authority under the Age Discrimination Act of 1975, 42 U.S.C. 6101 et seq., authorizes the FMCS to provide mediation assistance for the resolution of age-discrimination charges.
- XI. The Federal Aviation Reauthorization Act of 1996 (Public Law 104-264, 49 U.S.C. 40122(a)) directs the FMCS to mediate disputes between the Administrator of the Federal Aviation Administration and its employee representatives concerning changes to the FAA's personnel management system.
- XII. The Homeland Security Act of 2002 (Public Law 107-296, 5 U.S.C. 9701 (1)(B)(iii)) gives the Secretary of Homeland Security the option of using "the services of the Federal Mediation and Conciliation Service" to "facilitate the process of attempting to reach agreement" on proposed personnel changes in dispute. A majority of employee representatives making recommendations with respect to proposed changes also have the option of calling for the services of the FMCS. More recently, legislation has been enacted adding similar provisions for the Department of Defense (National Defense Authorization Act for 2004, Public Law 108-136, 5 U.S.C. 9902 (f)(B)(iii)) and the Department of Veterans Affairs (Veterans Health Care, Capital Asset and Business Improvement Act of 2003, Public Law 108-170, 38 U.S.C. 7403 (h)(4)(C)).

V. Budget Tables and Detailed Financial Requirements

**FEDERAL MEDIATION AND CONCILIATION SERVICE**

**BUDGET AND STAFFING BY ACTIVITY**

(in thousands of dollars)

	FY 2007		FY 2008		FY 2009		Total Program Increase or (Decrease) 2008 to 2009	
	Actual		Estimated		Request			
	Full-Time Equivalent Employment	Amount Obligated	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority
1. Dispute and Preventive Mediations, and Public Information <sup>1</sup> .....	194	\$33,743	194	\$33,849	200	\$35,216	6	\$1,366
2. Arbitration Services .....	8	776	7	725	7	740	-	15
3. National Office Support and Administrative Services .....	48	7,934	49	8,461	49	8,871	-	410
4. Labor-Management Grants..	0	396	0	0	0	0	-	0
<b>Sub-Total Appropriated</b>	<b>250</b>	<b>\$42,849</b>	<b>250</b>	<b>\$43,035</b>	<b>256</b>	<b>\$44,826</b>	<b>6</b>	<b>\$1,791</b>

<sup>1</sup> Collective Bargaining and Grievance Mediations (Dispute), Relationship-Development Training (Preventive), and Outreach (Public Information) Workload

**BUDGET AND STAFFING BY ACTIVITY**  
(in thousands of dollars)

	FY 2007		FY 2008		FY 2009		Total Program Increase or (Decrease) 2008 to 2009	
	Actual		Estimated		Request			
	Full-Time Equivalent Employment	Amount Obligated	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority
5. Reimbursable programs: Employment Mediation, International Training and Institute Courses .....	7	\$893	9	\$1,450	9	\$1,500	-	\$50
6. FMCS Training and Education .....	0	644	0	750	0	750	-	-
<b>Sub-Total Reimbursable</b>	<b>7</b>	<b>\$1, 537</b>	<b>9</b>	<b>\$2,200</b>	<b>9</b>	<b>\$2,250</b>	<b>-</b>	<b>\$50</b>
<b>TOTAL RESOURCES</b>	<b>257</b>	<b>\$44,386</b>	<b>259</b>	<b>\$45,235</b>	<b>265</b>	<b>\$47,076</b>	<b>6</b>	<b>\$1,841</b>

**FEDERAL MEDIATION AND CONCILIATION SERVICE**

**BUDGET ESTIMATES FISCAL YEAR 2009  
FINANCIAL REQUIREMENTS**

(in thousands of dollars)

	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Request
<b><u>Personnel Compensation</u></b>	<u>\$25,090</u>	<u>\$25,447</u>	<u>\$25,937</u>	<u>\$27,292</u>
<b>Full-time permanent</b>	<b>24,562</b>	<b>24,700</b>	<b>25,338</b>	<b>26,617</b>
- Full-time permanent positions	24,562	24,700	25,338	26,617
<b>Other than full-time permanent</b>	<b>198</b>	<b>440</b>	<b>271</b>	<b>347</b>
- Other than full-time permanent positions	198	440	271	347
<b>Other Personnel Compensation</b>	<b>330</b>	<b>307</b>	<b>328</b>	<b>328</b>
- Overtime & holiday pay	20	16	28	28
- Cash incentive awards	310	291	300	300
<b><u>Personnel Benefits</u></b>	<u>\$6,925</u>	<u>\$7,140</u>	<u>\$7,302</u>	<u>\$7,631</u>
<b>Civilian Personnel Benefits</b>	<b>6,925</b>	<b>7,140</b>	<b>7,302</b>	<b>7,631</b>
- CSRS Retirement Contribution	422	386	347	326
- FERS Retirement Contribution	2,077	2,154	2,206	2,447
- Federal Retirement Thrift Savings Plan Contribution	874	905	952	1,050
- Group life insurance	46	46	45	48
- Health Insurance Contribution	1,428	1,427	1,550	1,560
- OASDI - FERS	1,070	1,107	1,246	1,281
- Employee compensation	593	528	502	449
- Relocation expenses (PCS)	\$0	\$160	\$0	\$0



**BUDGET ESTIMATES FISCAL YEAR 2009  
FINANCIAL REQUIREMENTS**

(in thousands of dollars)

	<u>FY 2006 Actual</u>	<u>FY 2007 Actual</u>	<u>FY 2008 Estimated</u>	<u>FY 2009 Request</u>
<b><u>Personnel Benefits (continued)</u></b>				
<b><u>Civilian Personnel Benefits (continued)</u></b>				
- Cost-of-living allowance	44	46	44	48
- Subsidy for commuting costs	22	29	25	27
- Medicare contribution	349	352	385	395
<b><u>Benefits of Former Personnel</u></b>				
- Unemployment compensation	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>
- Voluntary separation incentive	0	0	0	0
<b><u>Travel and Transportation of Persons</u></b>				
- National office travel	<u>111</u>	<u>109</u>	<u>130</u>	<u>130</u>
- Official car	10	13	10	10
- Field office travel	1,544	1,561	1,570	1,570
<b><u>Transportation of Things</u></b>				
- Transportation of household goods (PCS)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>Rents, Communications, and Utilities</u></b>				
<b>Rental Payments to GSA</b>	<b><u>5,141</u></b>	<b><u>5,269</u></b>	<b><u>5,600</u></b>	<b><u>5,694</u></b>
- Rental payments to GSA	5,141	5,269	5,600	5,694

**BUDGET ESTIMATES FISCAL YEAR 2009**  
**FINANCIAL REQUIREMENTS**  
(in thousands of dollars)

	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Request
<b><u>Rents, Communications, and Utilities (continued)</u></b>				
<b>Rental Payments to Others</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
- Conference room rental	3	3	3	3
<b>Communications, Utilities and Miscellaneous Charges</b>	<b>909</b>	<b>862</b>	<b>920</b>	<b>920</b>
- Reproduction equipment rental	63	62	70	70
- Miscellaneous charges	11	5	10	10
- Audio-visual equipment rental	0	0	2	2
- GSA Phones	244	234	250	250
- FTS Phones	34	30	40	40
- Commercial Phones	259	241	269	269
- Data communication services	162	172	140	140
- Postal services and rentals	136	118	139	139
<b><u>Printing and Reproduction</u></b>	<b><u>\$20</u></b>	<b><u>\$32</u></b>	<b><u>\$30</u></b>	<b><u>\$30</u></b>
- FMCS forms and other printing	20	32	30	30
<b><u>Other Contractual Services</u></b>	<b><u>\$1,618</u></b>	<b><u>\$955</u></b>	<b><u>\$948</u></b>	<b><u>\$961</u></b>
<b>Advisory and Assistance Service</b>	<b>17</b>	<b>6</b>	<b>26</b>	<b>26</b>
- Computer assisted legal research	4	0	10	10
- OPM background investigations	1	2	6	6
- Office equipment and machinery relocation	12	4	10	10

**BUDGET ESTIMATES FISCAL YEAR 2009**  
**FINANCIAL REQUIREMENTS**  
(in thousands of dollars)

	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Request
<b><u>Other Contractual Services (continued)</u></b>				
<b>Other Services</b>	<b>787</b>	<b>253</b>	<b>245</b>	<b>245</b>
- Management and professional services	510	252	240	240
- Official representation fund	4	1	5	5
- Schoolyard services	273	0	0	0
<b>Other purchases of goods and services from Government Accounts</b>	<b>97</b>	<b>99</b>	<b>97</b>	<b>110</b>
- Guard security services	97	99	97	110
<b>Operation and Maintenance of Facilities</b>	<b>26</b>	<b>15</b>	<b>10</b>	<b>10</b>
- Office repairs and alterations	26	15	10	10
<b>Medical Care</b>	<b>22</b>	<b>9</b>	<b>33</b>	<b>33</b>
- Medical care	22	9	33	33
<b>Operation and Maintenance of Equipment</b>	<b>669</b>	<b>573</b>	<b>537</b>	<b>537</b>
- Maintenance of office equipment	84	95	100	100
- Maintenance of information technology equipment	321	243	132	132
- Information Technology Support Services	233	206	270	270
- Support of payroll/personnel operations	31	29	35	35
- Household goods storage (PCS)	0	0	0	0

**BUDGET ESTIMATES FISCAL YEAR 2009**  
**FINANCIAL REQUIREMENTS**  
(in thousands of dollars)

	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Request
<b><u>Supplies and Materials</u></b>	<u>\$388</u>	<u>\$356</u>	<u>\$285</u>	<u>\$285</u>
- Office supplies and materials	284	219	200	200
- Information technology supplies and materials	104	137	85	85
<b><u>Equipment</u></b>	<u>\$443</u>	<u>\$706</u>	<u>\$300</u>	<u>\$300</u>
- Furniture and fixtures	95	86	40	40
- Information technology Hardware/Software	317	619	250	250
- Audio-visual equipment	7	1	10	10
- Schoolyard equipment	24	0	0	0
<b><u>Grants, Subsidies and Contributions</u></b>	<u>\$396</u>	<u>\$396</u>	<u>\$0</u>	<u>\$0</u>
<b>Sub total of appropriated</b>	<b>\$42,601</b>	<b>\$42,849</b>	<b>\$43,035</b>	<b>\$44,826</b>

**BUDGET ESTIMATES FISCAL YEAR 2009**  
**FINANCIAL REQUIREMENTS**  
(in thousands of dollars)

	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Request
<b><u>Reimbursable Programs (non-appropriated)</u></b>	<b><u>\$1,030</u></b>	<b><u>\$893</u></b>	<b><u>\$1,450</u></b>	<b><u>\$1,500</u></b>
- Compensation	582	463	809	827
- Benefits	150	124	242	248
- Travel	196	203	150	150
- Communications	2	1	3	3
- Printing	0	0	0	0
- Other contractual services	88	77	226	252
- Supplies and materials	12	25	20	20
- Equipment	0	0	0	0
<b>Sub total of Reimbursable Programs</b>	<b>\$1,030</b>	<b>\$893</b>	<b>\$1,450</b>	<b>\$1,500</b>
<b><u>FMCS Training and Education (non-appropriated)</u></b>	<b><u>\$750</u></b>	<b><u>\$644</u></b>	<b><u>\$750</u></b>	<b><u>\$750</u></b>
- Seminars, Workshops, Conferences and Training	427	316	325	325
- New mediator costs	43	28	80	80
- Tuition	63	87	92	92
- Other contractual services	146	142	173	173
- Supplies & materials	12	7	20	20
- Subscriptions & training materials	59	64	60	60
<b>Sub total of FMCS Training and Education</b>	<b>\$750</b>	<b>\$644</b>	<b>\$750</b>	<b>\$750</b>
<b>Sub total of non-appropriated (reimbursable obligations)</b>	<b>\$1,780</b>	<b>\$1,537</b>	<b>\$2,200</b>	<b>\$2,250</b>
<b>TOTAL RESOURCES</b>	<b>\$44,381</b>	<b>\$44,386</b>	<b>\$45,235</b>	<b>\$47,076</b>

**FEDERAL MEDIATION AND CONCILIATION SERVICE**

**Detail of Total Employment – End of Year**

	2007 Actual	2008 Estimated	2009 Request
Executive Level III.....	1	1	1
ES.....	0	4	4
<b>Subtotal.....</b>	<b>1</b>	<b>5</b>	<b>5</b>
GS-15.....	20	22	23
GS-14.....	165	167	165
GS-13.....	16	17	23
GS-12.....	4	5	5
GS-11.....	4	3	3
GS-10.....	2	2	2
GS-9.....	4	2	2
GS-8.....	19	19	19
GS-7.....	8	8	8
GS-6.....	8	8	9
GS-5.....	1	1	1
GS-4.....	0	0	0
GS-3.....	0	0	0
GS-2.....	0	0	0
<b>Subtotal.....</b>	<b>251</b>	<b>254</b>	<b>260</b>
<b>Total employment, end of year.....</b>	<b>252</b>	<b>259</b>	<b>265</b>
Full-time equivalent (FTE) usage.....	257 *	259 **	265 **
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Average ES Salary.....	\$0	\$161,000	\$167,000
Average GS Level.....	12.86	12.89	12.88
Average GS Salary.....	\$98,175	\$101,500	\$105,500
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\* 7 FTE funded by reimbursable revenue.

\*\* 9 FTE funded by reimbursable revenue.

## VI. Mission and Program Structure

Congress established the Federal Mediation and Conciliation Service (FMCS) in 1947 through the Labor Management Relations Act (Taft-Hartley) amendments to the National Labor Relations Act (NLRA) as an independent agency whose mission is “to assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation.”<sup>2</sup> Subsequent acts of Congress and Presidential orders have expanded the FMCS’s role to provide mediation services to the private sector and alternative dispute resolution (ADR) programs to Federal Government agencies, as well as promote and establish labor-management partnerships in the private sector.

The FMCS commits to:

- Promoting the development of sound and stable labor-management relationships;
- Preventing or minimizing work stoppages by assisting labor and management to settle their disputes through mediation;
- Advocating collective bargaining, mediation, and voluntary arbitration as the preferred process for settling disputes between employer and representatives of employees;
- Developing the art, science and practice of conflict resolution; and,
- Fostering the establishment and maintenance of constructive joint processes to improve labor-management relationships, employment security and organizational effectiveness.

Over the past 60 years, the FMCS has provided services that embrace this mission and demonstrate its commitment to preventing or minimizing interruptions of the free flow of commerce growing out of labor disputes. As labor-management relationships have evolved over time, so, too, has the nature of the Agency’s work within collective bargaining relationships. The Agency today provides a range of services to labor and management, such as relationship-development training and training in interest-based bargaining, to help the parties deal effectively with disputes that may arise between them

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<sup>2</sup> 29 USC § 173. By statute, FMCS’s jurisdiction excludes the rail and airline industries, which are covered by the National Mediation Board under the Railway Labor Act.

without resorting to work stoppages. The following section describes the Agency's comprehensive package of core programs and services.

### **A. Collective Bargaining Mediation**

Through collective bargaining mediation, the FMCS helps avert or minimize the cost of work stoppages to the U.S. economy. The Agency's core work is to mediate collective bargaining negotiations for initial contract negotiations—which take place between an employer and a newly certified or recognized union representing its employees—and for negotiations for successor collective bargaining agreements. The FMCS provides mediation services to the private sector, and also to the public sector, including federal agencies, and state and local governments.

During mediation, the mediator's task is to identify alternative solutions and compromises, encourage settlement where appropriate, control the critical timing of offers, and persuade the parties to honestly discuss their differences. In FY 2007, FMCS mediators were actively involved in over 5,300 collective bargaining contract negotiations in every major industry throughout the United States.

### **B. Grievance Mediation**

Grievance mediation involves the use of a neutral party to mediate disputes that may arise over the terms and conditions of a collective bargaining agreement. Agency mediators provide this service to the private and public sectors with the goal of preventing unresolved contract interpretation issues from spilling over into future contract negotiations. Lengthening contract terms increases the importance of resolving contentious issues arising during the term of a contract.

Continuing recent trends, more than 25 percent of the contracts negotiated were of more than three years duration. In FY 2007, the FMCS mediated 1,753 grievance mediation cases and helped the parties reach agreement in over 1,200 of these.

### **C. Relationship-Development and Training**

Preventing conflict that may arise during the term of a collective bargaining agreement is another important goal of the Agency. The Agency's relationship-building training programs are designed to improve labor-management relationships by helping labor and management to develop collaborative problem-solving approaches. Effective use of these programs better enables the parties to jointly respond to rapidly changing business and economic conditions during the term of the contract and also make future mediation efforts more effective.

FMCS relationship-development and training programs include:

- **Alternative Bargaining Training:** Teaches the benefits and techniques of a non-adversary, joint problem-solving approach to negotiation.



- **Relationship by Objective:** Improves the parties' relationship with one another, particularly where the relationship has worsened after a contentious representation election, initial contract negotiation, or strike.
- **Committee Effectiveness Training:** Assists the parties in developing joint labor-management committees designed to bring the parties into regular communication.
- **Partners in Change:** Explores the organization's current culture, identifies perceptions within the organization, creates a vision for the future, and designs systems that effectuate change.
- **Labor-Management Work-Site Committee Training:** Helps labor-management committees extend to the work-site level, forming work-site committees, group interactions, and learning techniques to manage change.
- **Contract Administration/Steward-Supervisor Training:** Trains front-line supervisors and shop stewards on their roles and responsibilities in contract administration, grievance processing, the arbitration procedure, and interpersonal communications for building cooperative relationships.
- **Cultural Awareness Skills for Labor and Management:** Trains the parties how to function in a multicultural work setting including the resolution of cross-cultural conflicts in a workplace.
- **Collective Bargaining and Mediation Training:** Trains the parties on effective negotiation and communication skills.

#### D. Outreach

FMCS mediators meet with representatives of labor and management to educate the parties about the economic benefits that can result from mediation and how ADR services provided by the FMCS can increase labor-management collaboration, improve productivity, increase efficiency and avert work stoppages. These outreach events include one-on-one meetings, presentations, conferences, symposia, and workshops.

#### E. Employment Mediation

Outside the collective bargaining arena, FMCS provides employment mediation services to the federal sector and to state and local governments on a cost-reimbursable basis. The Administrative Dispute Resolution Act of 1990, the Negotiated Rulemaking Act of 1990, and the Administrative Dispute Resolution Act of 1996 expanded the FMCS's role as a provider of these services. The legislative intent behind these acts was to expand the use of alternative dispute resolution throughout the Federal Government, reduce litigation costs, and promote better government decision-making. The Agency also provides employment mediation to the private sector to resolve workplace disputes falling outside of the traditional collective bargaining context, i.e., equal employment opportunity disputes. In FY 2007, the FMCS mediated 1,060 employment cases.

## **F. International Training and Exchange**

Beyond the nation's borders, the FMCS plays an important role in promoting collective bargaining and conflict resolution around the world. The FMCS's international work is a small, but integral, part of its services. Emerging market economies often struggle to compete effectively in a globally integrated marketplace. FMCS helps establish the labor relations institutions that are essential to the smooth functioning of free market economies. International training programs are also a knowledge-sharing experience: the FMCS mediators gain familiarity with complex issues affecting the global economy and, as a result, are more effective in resolving labor-management disputes with international implications.

The FMCS's international efforts help to level the economic playing field for U.S. companies and workers by strengthening the rule of law and workers' rights in developing countries. In addition to supporting U.S. companies and workers in the global market by advocating core labor standards for all nations, the program helps create the stable and productive work forces that are needed to attract foreign investment and improve living conditions. In addition to industrial relations, FMCS mediators assist with rule of law initiatives, thereby helping to support economic growth and investment. These initiatives include mediation training and working with NGOs and other civil society organizations to develop mediation and other FMCS ADR programs. The FMCS's international program operations are reimbursed and are funded in part by a number of foreign and U.S. agencies, including the U.S. Department of Labor, the U.S. Department of State, the U.S. Agency for International Development, and the International Labor Organization.

## **G. Arbitration Services**

National labor policy favors arbitration for settling contractual disputes. The FMCS's Office of Arbitration Services maintains a roster of approximately 1,400 independent arbitrators who are qualified to hear and decide disputes over the interpretation or application of collective bargaining agreements. Upon request from the parties, the FMCS furnishes a list of names from which they may choose an arbitrator to hear their case and render a decision.

During FY 2007, the Office of Arbitration Services processed over 16,200 requests for arbitration panels nationwide. Arbitrators on the FMCS roster heard and decided nearly 2,200 labor arbitration cases.

## **H. Grants Program**

The 1978 Labor-Management Cooperation Act requires the Agency to encourage and support joint labor-management committees "established for the purpose of

improving labor-management relationships, job security and organizational effectiveness, enhancing economic development or involving workers in decisions affecting their jobs including improving communication with respect to subjects of mutual interest and concern.”<sup>3</sup> Grants awarded in the last three fiscal years supported labor-management committees representing over two million employees in both the private and public sector. The 2008 Appropriation eliminated earmarked funding for grants.

## **I. FMCS Institute for Conflict Management**

The FMCS Institute for Conflict Management provides training and education to labor and management practitioners from multiple organizations in an off-site classroom format. The Institute offers training in practical conflict resolution skills, collective bargaining, arbitrator and arbitration skills-building, facilitation process skills, multi-party facilitation, cultural diversity, equal employment opportunity mediation skills, and workplace violence prevention. The Institute runs as a reimbursable program and is funded by fees received from training participants.

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<sup>3</sup> Public Law 95-524, Oct. 27, 1978, 29 U.S.C. §205 A(a)(1).

## **VII. Workload Projections – FY 2008 and FY 2009**

The Agency's workload over prior fiscal years, caseload estimates, accomplishments for FY 2007, and estimated workload in FY 2008 and 2009 are included in the following pages. These estimates should be read in conjunction with the Agency's strategic program objectives detailed in Section VIII.

**WORKLOAD OUTPUTS  
AND PROJECTIONS  
FISCAL YEARS 2008 - 2009**

<b>PROGRAM SERVICES</b>	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Estimated
<b>1. COLLECTIVE BARGAINING MEDIATION .....</b>						
Assigned Cases <sup>4</sup>	18,493	17,102	15,072	14,663	15,250	15,250
- Private Sector	16,738	15,596	13,539	13,245	13,725	13,725
- Public Sector (state and municipal)	1,295	1,160	1,219	1,107	1,220	1,220
- Federal Sector	460	346	314	311	305	305
Mediated Cases <sup>5</sup>	4,748	5,215	5,484	5,329	5,470	5,470
- Private Sector	3,274	3,873	3,874	3,907	3,884	3,884
- Public Sector (state and municipal)	1,077	1,086	1,319	1,145	1,313	1,313
- Federal Sector	397	256	291	277	273	273
Closed Cases	16,215	13,928	15,664	14,478	14,600	14,600
Closed Mediated Cases	4,595	4,084	4,486	4,426	4,480	4,480
Activity Rate <sup>6</sup>	28%	30%	29%	31%	31%	31%
Settled and Closed Mediated Cases	3,768	3,557	3,864	3,818	3,900	3,900
Percentage of mediated cases settled through the FMCS <sup>7</sup>	82%	87%	86%	86%	87%	87%
Activity rate in significant cases <sup>8</sup>	51%	47%	45%	51%	50%	50%

<sup>4</sup> Section 8(d) of the National Labor Relations Act, as amended, 29 U.S.C. §158(d) requires that any employer or labor organization provide notice to the FMCS 60 days prior to contract expiration. Not all cases providing notices are assigned. Actual FY 2007 FMCS case intake exceeded 22,000.

<sup>5</sup> Mediated cases (formerly called “active” cases) represent the number of cases in the FY where mediators have become active in the negotiations.

<sup>6</sup> Defined as the number of closed cases where there was at least one meeting divided by the number of total closed assignments.

<sup>7</sup> Defined as the number of active cases settled divided by the total number of active cases.

<sup>8</sup> Significant cases are generally defined as situations where the bargaining unit exceeds 1,000.

<b>PROGRAM SERVICES</b>	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Estimated
<b>2. GRIEVANCE MEDIATION.....</b>						
Assigned Cases	1,639	1,705	1,632	1,768	1,700	1,700
Mediated Cases	1,544	1,621	1,625	1,753	1,680	1,680
- Private Sector	1,168	1,232	1,219	1,282	1,270	1,270
- Public Sector (state and municipal)	205	263	270	316	285	285
- Federal Sector	171	126	136	155	125	125
Settled GM Cases	1,264	1,212	1,219	1,254	1,260	1,260
Percentage of cases settled through FMCS <sup>9</sup>	82%	72%	75%	74%	75%	75%
<b>3. RELATIONSHIP-DEVELOPMENT AND TRAINING ....</b>						
Number of training programs provided	2,281	2,085	2,445	2,548	2,390	2,390
- Private Sector	1,565	1,273	1,552	1,591	1,505	1,505
- Public Sector (state and municipal)	599	708	730	730	670	670
- Federal Sector	117	104	163	227	215	215
<b>4. EMPLOYMENT MEDIATION.....</b>						
Mediated Cases	1,596	1,008	1,022	1,060	1,150	1,150
- Federal Sector	1,417	917	993	1,038	1,120	1,120
- Public Sector (state and municipal)	5	31	13	5	20	20
- Private	174	60	16	17	10	10
Settled EM Cases	718	484	523	532	561	561
Percent of EM cases settled through FMCS <sup>10</sup>	45%	48%	51%	50%	50%	50%

<sup>9</sup> Defined as the number of grievance mediation cases settled and closed within the fiscal year divided by the number of closed GM assignments.

<sup>10</sup> Defined as the number of mediated employment cases settled divided by the number of mediated cases closed

<b>PROGRAM SERVICES</b>	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Estimated
<b>5. OUTREACH.....</b>						
Outreach cases <sup>11</sup>	4,741	3,513	3,859	3,847	3,600	3,600
<b>6. ARBITRATION SERVICES.....</b>						
Number of panels issued	18,033	16,787	16,854	16,264	16,500	16,500
Number of arbitrators appointed	7,875	7,592	6,860	6,485	6,500	6,500
Average number of days for arbitrator appointment	NA	2.6	1.1	3.2	2	2
Number of complaints regarding overdue awards	NA	8	9	9	10	10
<b>7. INSTITUTE .....</b>						
Number of courses provided	17	17	7	9	9	9
Number of participants	540	450	172	219	200	200

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<sup>11</sup> FMCS requires all mediators to engage in outreach efforts. These kinds of activities include non-bargaining meetings with labor and management representatives, attendance at conferences, meetings with local and state officials to offer FMCS services, and presentations designed to increase public knowledge.

## **VIII. Program Objectives – FY 2008 and FY 2009**

Program objectives for each service area are guided by the Agency's five-year strategic plan. This plan was last updated during 2007. For each strategic goal, the Agency has identified a number of objectives, key implementation strategies and actions, and measures for tracking its performance towards achieving each goal. The following section details each goal and presents a matrix identifying the programs impacted by them, performance objectives and accomplishments for FY 2007, and performance goals for FY 2008 and FY 2009.



## Strategic Goal #1: Mediation

Minimize the number and duration of work stoppages that may occur during collective bargaining negotiations.

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### **Objective:**

- Use of FMCS collective bargaining mediation by labor and management leaders.

### **Action:**

- Early intervention activities, particularly in initial contracts, the health care industry, and large and high-impact bargaining units.

### **Strategies:**

- Encourage labor and management leaders to employ mediation in their contract negotiations.
- Assist parties with problem-solving activities during the term of the agreement.

### **Expected Outputs:**

- Increased mediator case activity rates.
  - Increased proportion of cases with meetings held prior to contract expiration date.
- 

### **Discussion:**

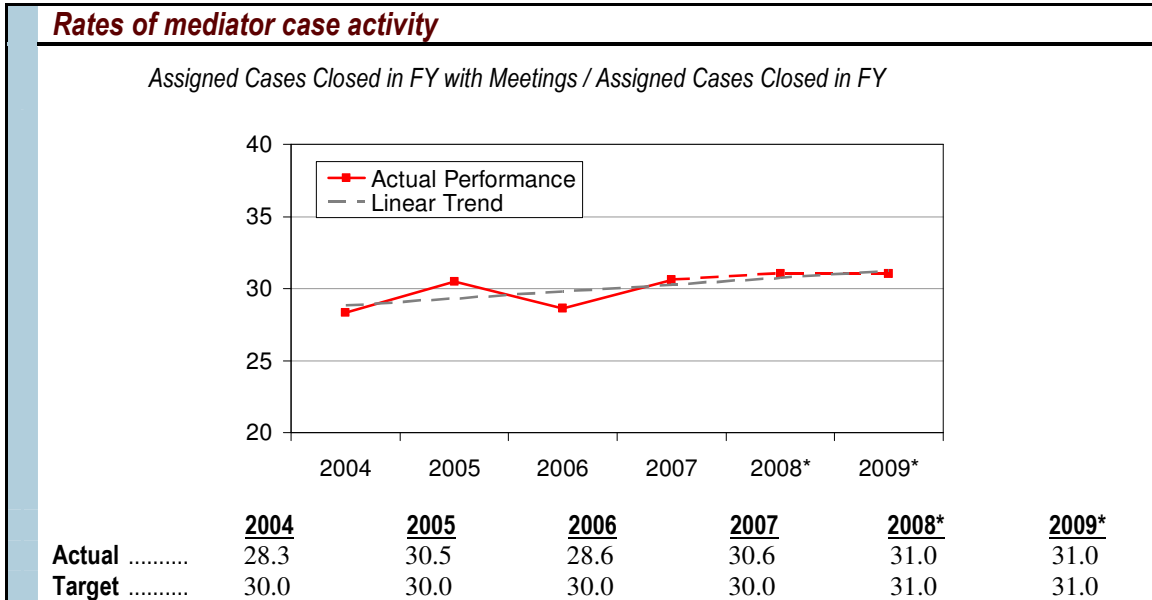
Collective bargaining mediation represents the core of the Agency's mission and its most publicly visible work. In 2005, an independent study conducted for the Agency found that mediation prior to a contract's expiration date significantly reduces the duration of any work stoppage that occurs. Previously, three separate studies of matched bargaining pairs found that FMCS mediation was also an important factor in preventing work stoppages from occurring in the first place.

As a result of these studies, the Agency believes that early and ongoing contact with the parties to a labor contract negotiation is imperative in reducing the number and duration of work stoppages. This is particularly true in collective bargaining cases that involve: an initial contract; national security; the health care industry; large bargaining units or in those cases that have the potential for permanent shutdowns or disruptions to the community, work force, or interstate commerce.

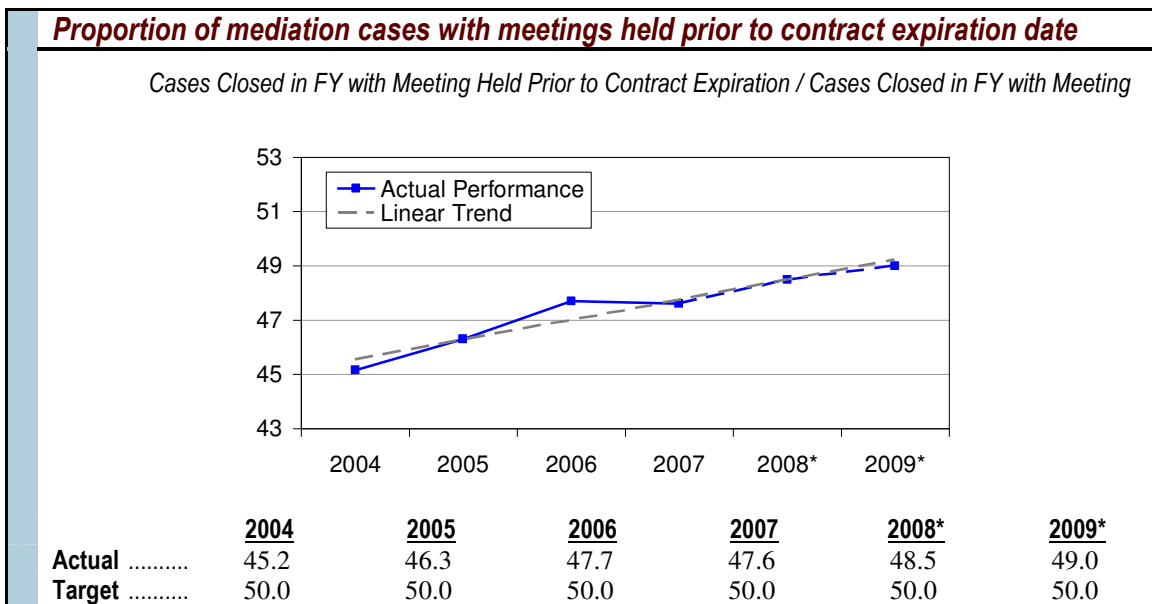
The Agency evaluates its success in these areas by looking at how many negotiations use mediation services, whether or not a work stoppage occurred, the duration of any stoppage, and the timing of mediators' involvement. On an aggregate basis, the Agency also estimates the financial cost of work stoppages that actually occur and the value of work stoppages that its mediators are able to prevent or shorten.

## Mediation Outputs and Performance Measures

Minimize the number and duration of work stoppages that may occur during collective bargaining negotiations.



\* Estimated



\* Estimated

## Strategic Goal #2: Building Problem-Solving Relationships

Improve labor-management relationships.

---

### **Objective:**

- Use collaborative dispute resolution processes to manage workplace conflict.

### **Actions:**

- Provide techniques and information that help parties improve their collective bargaining relationship.
- Deliver internally sustainable dispute resolution systems.
- Educate labor and management leaders in the art of building and maintaining labor-management partnerships.

### **Strategy:**

- Promote the use of FMCS programs and outreach to develop sound and stable labor-management relationships.

### **Expected Output:**

- Increased customer satisfaction with FMCS educational products and services.
- 

### **Discussion:**

Relationship development and training and a number of related activities are designed to help the parties to a collective bargaining agreement better understand the issues and external forces affecting their collective bargaining relationship and to develop internal task forces or groups to help them improve their relationship. In an increasingly global economy, outreach to sister agencies in other countries is a small, but important aspect of the Agency's work in this area.

American employer and employee continued success in a globally competitive arena requires a degree of cooperation between labor and management that traditional confrontational bargaining relationships cannot easily accommodate. These competitive issues can be both complex and subtle and require creative solutions that address unique challenges. Mediators should play a major part in assisting employers and employee representatives to improve their organizational effectiveness and to add value to the organization through improved labor-management relationships.

The Agency is committed to delivering to its customers the best possible information, analysis, practices, and solutions. Through its program evaluations, the Agency is constantly seeking to improve its core curriculum.

## **Building Problem-Solving Relationships Outputs and Performance Measures**

Improve labor-management relationships.

The Agency is currently investigating appropriate ways for measuring its success in improving labor-management relationships and expects to implement a plan for doing so in FY 2009.

### **Strategic Goal #3: Resolving Mid-Term Disputes**

Resolve contract-based disputes (grievances) that arise during the term of collective bargaining agreements.

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#### **Objectives:**

- Assist parties to voluntarily resolve contract-based disputes.
- Provide high-value arbitrator referral service for situations when parties cannot voluntarily resolve a contract-based dispute.

#### **Actions:**

- Increase penetration in groups that have not traditionally used FMCS mediation.
- Maintain roster of experienced arbitrators.
- Improve all aspects of the referral service.

#### **Strategies:**

- Advocate mediation and arbitration as the preferred methods for settling disputes between parties in a collective bargaining relationship.
- Facilitate joint, collaborative problem-solving events on an ongoing basis.

#### **Expected Outputs:**

- Increase the proportion of settled grievance mediation cases.
  - Increase customer satisfaction with quality of arbitration service.
- 

#### **Discussion:**

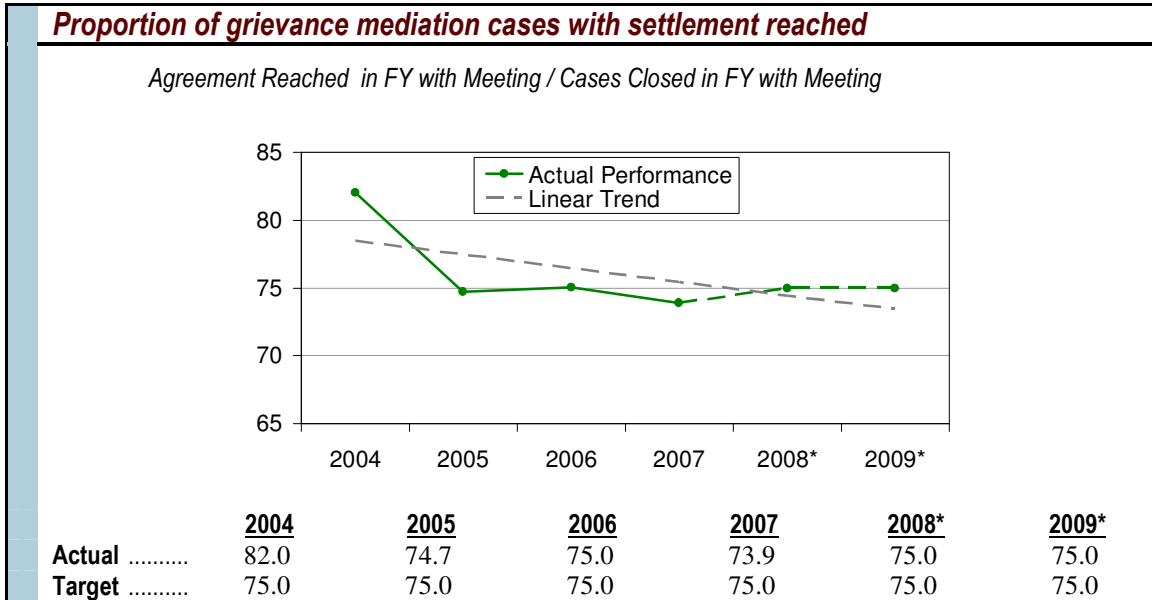
Grievance mediation, joint problem-solving facilitation, and arbitration are three approaches for resolving disputes that may arise from differing interpretations of a labor contract's terms and conditions. Grievance mediation and joint problem-solving facilitation are voluntary processes that rely upon consensus building. Arbitration is a structured process that generally provides a final and binding determination. All three approaches are designed to reduce the need for expensive and time-consuming court litigation, and resolve disputes before they begin to negatively affect the collective bargaining relationship.

Increasing the Agency's presence among groups that have not traditionally used its services is one way to build healthier collective bargaining relationships. FMCS's involvement in these interventions encourages the parties to engage in other collective bargaining activities with less disruption and animosity.

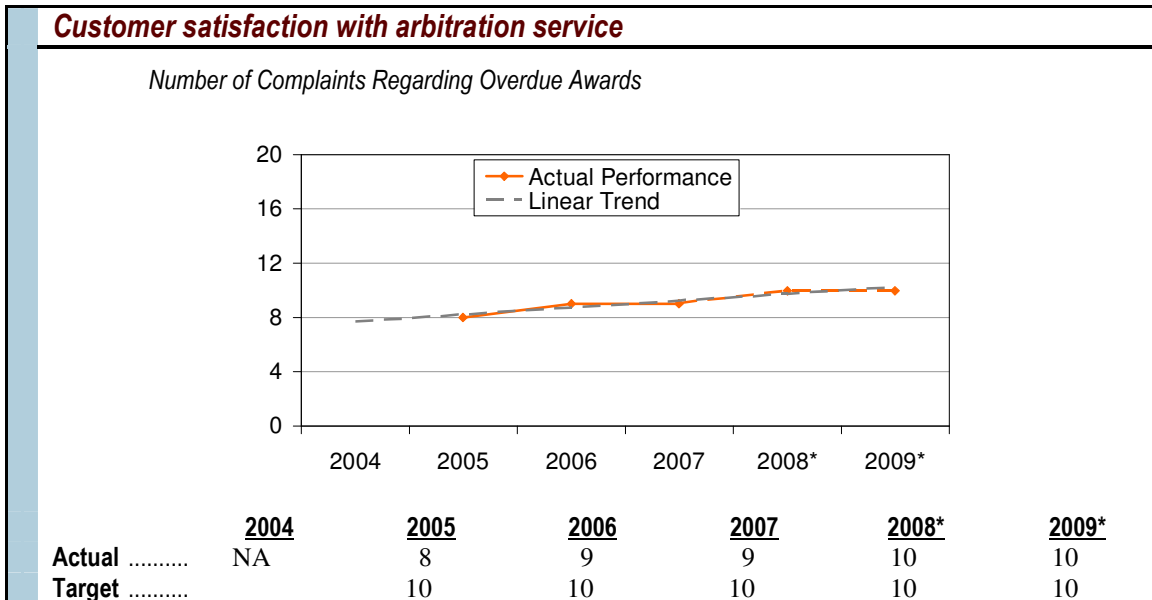
Improved settlement rates in contract-based disputes and joint problem-solving cases provide a good indication of how well Agency mediators are able to facilitate agreements. Likewise, favorable customer evaluations of the arbitrator referral service help the Agency improve the quality of the service.

## Resolving Mid-Term Disputes Outputs and Performance Measures

Resolve contract-based disputes (grievances) that arise during the term of collective bargaining agreements.



\* Estimated



\* Estimated

## Strategic Goal #4: Promoting ADR

Resolve statute- or regulation-based workplace disputes.

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### **Objective:**

- Use employment mediation as an alternative to litigation.

### **Action:**

- Increase number of employment mediations conducted and reimbursable agreements signed.

### **Strategy:**

- Advocate alternative dispute resolution (ADR) as the preferred method for settling non-collective bargaining disputes.

### **Expected Output:**

- Increase the proportion of settled employment mediation cases.
- 

### **Discussion:**

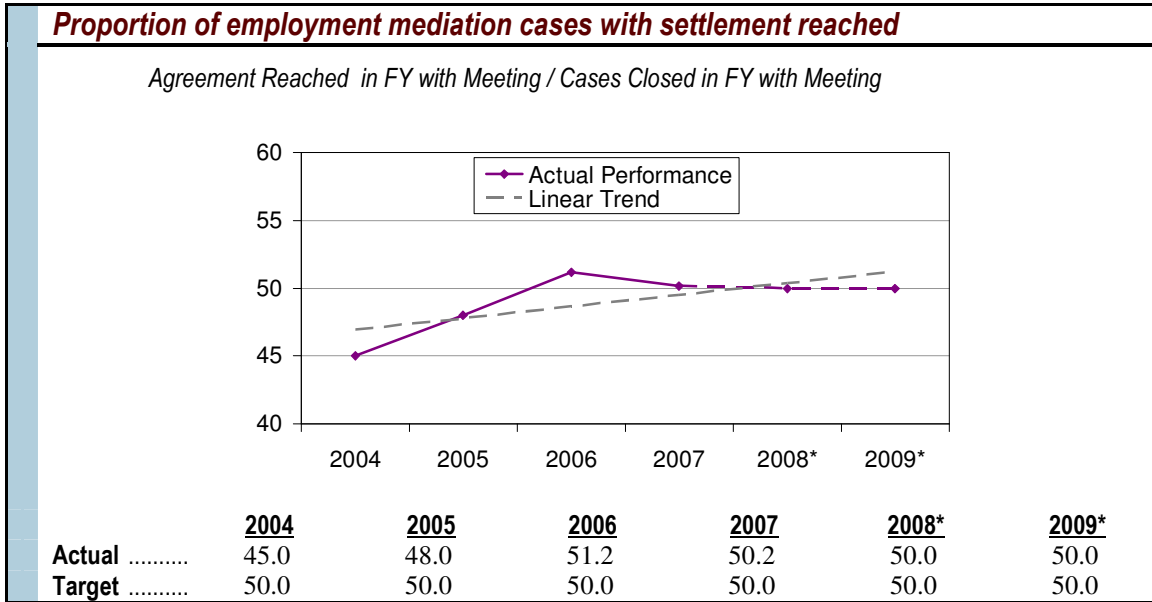
The Agency's alternative dispute resolution (ADR) work is defined by the Administrative Dispute Resolution Act of 1996 and is designed to help resolve disputes that do not result from a collective bargaining relationship. Under the Act, the Agency is generally limited to work in the federal sector, but may include state or local entities if the dispute is related to a federal rule or regulation.

Using traditional dispute resolution vehicles, such as the courts, may take several years and cost hundreds of thousands of dollars in legal fees and court costs. While the Agency provides its ADR services as a reimbursable service, costs generally run less than \$800 per case and most can be resolved quite quickly. These modest costs are more than offset by reduced friction in the workplace and a more productive workforce.

By increasing the number of ADR cases that the Agency takes and improving the rate at which it helps settle cases, FMCS seeks to provide a cost-effective alternative to litigation and promote better government decision-making.

## Promoting ADR Outputs and Performance Measures

Resolve statute- or regulation-based workplace disputes.



\* Estimated