



FMCS

FEDERAL MEDIATION &
CONCILIATION SERVICE



Annual Report



A Message from FMCS Director Allison Beck

Annual Report FY 2016



Dear Colleagues:

I am pleased to share the FMCS Annual Report for FY 2016. It provides a wealth of information on the challenges the Agency faced, the goals that were met, and the achievements that resulted. Based on the Agency's success in fulfilling the needs of labor and management for training and conflict resolution in the private, public, and Federal sectors, FMCS and its employees distinguished themselves with a year of truly outstanding accomplishment. In achieving its all-important mission of protecting the U.S. economy from the disruptive effects of labor disputes, FMCS has made advancements in the art and practice of dispute resolution in labor relations and has restructured and refined itself internally to better address the needs of customers and stakeholders in a transitioning economy.

In 2016, FMCS mediators were peacemakers in major labor disputes affecting important U.S. industries such as steel and auto manufacturing, telecommunications, transportation, health care, building services, retail stores, tourism, education, and the performing arts. Our Alternative Dispute Resolution services provided essential assistance to sister Federal agencies in successfully resolving jurisdictional and internal conflicts involving their employees or public policy. In fact, requests to FMCS for ADR training from sister Federal agencies more than tripled during the fiscal year. With a wide range of training that can be adapted to meet any need, FMCS has taught customers in the Federal, public and private sectors how to better manage and resolve disruptive conflicts with the goal of increasing organizational efficiency and productivity.

At FMCS we know that labor and management are grappling with the effects of new 21st century technologies, such as robotics and artificial intelligence, and their impact on workplaces nationwide. In addition, workplace demographics are changing rapidly as new generations of workers, such as Gen X and Millennials, become more numerous in the workforce. Thus, a top priority for the year was to more effectively meet the needs of customers and stakeholders doing business in a high-tech, highly competitive global environment. In this regard, we heard from our customers and stakeholders about the value of the once highly acclaimed FMCS National Labor-Management Conference, which was last convened in 2008. At its height, this biennial FMCS national event formerly had been the place for labor relations practitioners to get the most up-to-date information about sectoral trends, practical bargaining tools, and broad networking opportunities. Now, in a new 21st century environment, with emerging technologies and business models fundamentally changing nearly every sector of the economy, bringing together FMCS customers and stakeholders to share knowledge and solutions arising from the new, on-demand workforce and new, virtual workplaces and Internet business platforms became a key Agency objective for 2016.

The Conference—as one of the year's most ambitious undertakings—emerged as perhaps the Agency's outstanding achievement in 2016. Surpassing all expectations, the FMCS National Labor-Management Conference re-branded the Agency in 2016 with a showcase of its best and brightest, Future@Work programs and services. The nation's most influential labor and management leaders, academics, neutrals, and labor relations practitioners saw FMCS technological know-how, dispute resolution expertise, and innovative, problem-solving leadership presented at their best. The Conference spotlighted a high-level, pre-Conference program on longstanding successful labor-management partnerships, such as Kaiser Permanente and the Coalition of Kaiser Permanente Unions, and featured a keynote address by former U.S. Secretary of Labor Robert Reich. The three-day event that followed offered more than 70 workshops, panels, and plenary sessions focusing on present and future workplace challenges in the private, public and Federal sectors. Practitioners, experts, and representatives of labor and management shared insights, tools and techniques on topics such as bargaining challenges in new media, education, health care, the performing arts and creative solutions for health care and pension benefits bargaining. FMCS presentations on expedited



bargaining techniques were especially well received. Attendees heard from national figures such as AFL-CIO President Richard Trumka and Kaiser Permanente Chairman and CEO Bernard J. Tyson in keynote sessions.

Following the Conference, for the next most demanding Agency challenge, the FMCS headquarters was required to relocate from 2100 K St, NW in Washington, D.C. to 250 E St, SW shortly after completion of the 2016 fiscal year. Given the nature of the mediation work often held within its offices, including occasional all-night mediations, regular training sessions held in its offices, and the need for access to Federal and private-sector customers, FMCS secured a headquarters facility with an equivalent and accessible location in Washington.

The Agency's demanding agenda for the year also included dealing with the effects of a surge in mediator retirements that began in FY 2014 and continued through 2016, which potentially could have cost us many years of combined mediation experience as retirees departed. Instead, we seized this as an opportunity to strengthen and diversify our culture of knowledge-sharing, inclusiveness, and operational excellence. FMCS also continued implementation of a number of initiatives to improve the efficiency of support staff and support functions. These initiatives included creating new and updated procedures and directives in all significant administrative areas, updating staff position descriptions, and expanding the availability and use of information technology systems to reduce paperwork burdens on the public and FMCS employees. At the beginning of the fiscal year, FMCS set itself important technology goals to meet in administration as well as key initiatives relating to telecommuting, cloud computing, continuity of operations, and cyber security. As part of this far-reaching modernization effort, FMCS continued to virtualize its information technology infrastructure and to expand "remote assist" capabilities and services.

Lastly, in gratifying recognition of the FMCS organizational commitment to its employees, FMCS again achieved a ranking in the top five finishers among small agencies as a "Best Place to Work" in the Federal government by the Partnership for Public Service. The ranking was based on the 2016 results of OPM's Federal Employee Viewpoint Survey. In addition to its overall ranking among the government's top small agencies, FMCS also ranked second—government-wide, including large and small agencies—for innovative recruitment practices. FMCS received a top-rated number one ranking among small agencies for employee "Empowerment" and for "Training and Development." Needless to say, we are very proud of the consistently strong performance FMCS has attained in the OPM surveys and Partnership rankings since their inception.

If there was a unifying concept to all our work in 2016, it would certainly be "Securing the Future of FMCS Together," our on-going initiative launched last year to prepare the Agency organizationally with the human and capital resources necessary to meet the uncertainties that lay ahead. With the close of 2016, a new President and Administration will find that FMCS is equipped, trained, confident, and ready to fulfill its mission in the context of a transitioning economy.

Sincerely,

Allison Beck
Director

2016: A Year of Transition and Accomplishment

Adapting to Meet the Labor-Management Issues of a New Economy

that is more service-and-knowledge-based. Just as in earlier periods of economic transition, however, the current evolution also increases the likelihood of workplace conflict. Thus, while policy makers debate the "future of work" and the very defi-

At FMCS, we know that new technologies and business models are disrupting nearly every sector of the U.S. economy. What some are calling a Fourth Industrial Revolution is presenting labor and management with both enormous challenges and nearly limitless opportunity driven largely by the ongoing evolution from a manufacturing-based economy to one



dition of “the workplace,” workers and businesses are increasingly concerned about securing their own futures now. Consequently, the Agency is constantly seeking new and innovative methods to prevent conflict and to allow business and labor to succeed in an ever-changing economy.

Labor, management, and government leaders are also dealing with a massive generational shift that is currently underway. The rapid pace of this change often collides with strongly-embedded workplace traditions and organizational cultures that have been in place for decades. This is creating environments prone to workplace conflicts that spill over to collective bargaining tables, and FMCS has taken a leading role in the development of strategies to help labor and management leaders embrace and better manage the massive generational shift among workers.

FMCS continues to develop new services to prevent, manage, and resolve workplace and government conflict, help parties develop and sustain good labor-management relationships—which we know to be essential to innovation, competitiveness and job growth—and drive government efficiency and broader stakeholder engagement through the effective use of alternative dispute resolution.

Just as it has adapted to economic change in past decades, FMCS proved its readiness in 2016 to address the complexity and range of issues affecting business, labor, and government in today’s Internet-enabled economy. As demonstrated by the success of FMCS mediators at the nation’s bargaining tables, the Agency is combining new technologies with new dispute resolution science and techniques to address the new conflicts arising from the evolution of workplaces in this 21st century.

In one example of how FMCS has assisted negotiators in applying new technologies to their mutual benefit, the world-renowned San Francisco Ballet and the American Federation of Musicians, Local 6, are a stand-out success. Representing 15 years of productive collective bargaining using Interest-Based Bargaining (IBB) and modern technology—FMCS’s Technology Assisted Group Solutions (TAGS), these bargaining partners have managed their differences, avoided labor strife, brought harmony to their concert hall, and demonstrated that labor-management cooperation and FMCS know-how and assistance offer the best solutions, even in the most difficult times.

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Effectively Managing the Challenging Negotiations of 2016

FMCS is as essential to the success of the U.S. economy today as it has ever been—perhaps even more so. During a challenging year, marked by national labor-management disputes of significant scope and economic impact, FMCS mediators stepped into key roles as peacemakers and as sources of expert knowledge for labor and management.

In 2016, FMCS saw that even the best labor-management relationships can be challenged when negotiation involves the kinds of multiple and complex issues currently facing most bargaining partners today. Unquestionably, the work of

The following are brief summaries of FMCS work in major cases and activities during fiscal 2016:

Detroit Casinos and United Auto Workers Local 7777, Unite Here Local 24, Teamsters Local 372, and the International Union of Operating Engineers Local 324. With assistance from FMCS and Michigan state mediators, three Detroit casinos and union representatives for approximately 6,000 casino employees reached a new, five-year collective bargaining agreement for the Greektown Casino, the MGM Grand Detroit, and the Motor City Casino, ending highly contentious negotiations and providing relief to thousands of workers in the Detroit metropolitan area in December 2015.



Nexter Automotive Corporation and United Auto Workers Local 699. A Saginaw, MI-based mediator successfully assisted the Nexter Automotive Corporation and their 3,350-plus, UAW-represented members in reaching a new four-year contract. Following a tentative agreement which was soundly rejected, the membership went on strike for one day. A subsequent session mediated by FMCS resulted in an end to the strike and averted plant shutdowns at production lines of the Detroit “Big Three” automaker plants. The giant automotive-steering maker has a global workforce of more than 12,000, with 5,000 based in Michigan.

St. Cloud VA Medical Center and the American Federation of Government Employees (AFGE) Local 390. U.S. Department of Veterans Affairs Secretary Robert McDonald praised the work of FMCS mediators during a visit to the St. Cloud VA Medical Center in St. Cloud, MN. Local AFGE representatives and managers at the St. Cloud Medical Center jointly participated in intensive training under FMCS auspices to improve workplace cooperation and delivery of patient care at the facility. Secretary McDonald credited the work of FMCS mediators for the improved labor-management relations at St. Cloud.

Allegheny Technologies Inc. (ATI) and the United Steelworkers (USW). Assisted by Pittsburgh-based mediators, the members of the bargaining committee reached a new four-year contract bringing an end to a six-month long lockout. The contract affected 2,200 steelworkers at 12 ATI plants located in six different states.

STS of New Mexico and the American Federation of Teachers and the Las Cruces Transportation Federation Local 6341. After a five-hour bargaining session, working with an FMCS mediator, the American Federation of Teachers NM, the Las Cruces Transportation Federation Local 6341, representing Las Cruces Public School bus drivers, and STS of New Mexico reached a new contract, averting a possible strike that would have disrupted the Las Cruces school system.



First Transit and Teamsters Local 542. The round-the-clock efforts of an FMCS mediator helped avert a disruptive bus strike by 300 drivers in San Diego, CA, after union representatives and a San Diego-area bus company completed tense and difficult overnight negotiations. In a statement issued to the news media, a spokesman for First Transit thanked the FMCS mediator for his vital assistance.

University of Illinois, Urbana-Champaign campus, and Non-Tenure Faculty Coalition Local 6546. After meeting for two days with an FMCS mediator, representatives for the University of Illinois and Non-Tenure Faculty Coalition Local 6546 reached agreement on a new labor contract, resulting in an end to a two-day work stoppage by the faculty at the Urbana-Champaign campus, which had disrupted classes for thousands of students.

Service Employees International Union – United Service Workers West and Building Management Service Companies in Los Angeles and San Francisco. Janitors represented by the Service Employees International Union-United Service Workers West (SEIU-USWW) in Los Angeles and other California locations reached a new labor contract with building maintenance service companies in Southern California and the San Francisco Bay Area by inviting last-minute help from a Federal mediator and thereby averting a possible strike by approximately 20,000 covered employees.

Guthrie Corning (New York) Hospital and Service Employees International Union (SEIU) Local 1199. Employees of Guthrie Corning Hospital represented by Service Employees International Union (SEIU) Local 1199 in Corning, NY were able to reach a new, two-year labor contract under the auspices of an FMCS mediator, covering 535 registered nurses, licensed practical nurses, medical technologists and technicians, service, maintenance and clerical employees after two weeks of all-day bargaining.



Verizon Communications, Inc. and the Communications Workers of America (CWA) and International Brotherhood of Electrical Workers (IBEW). Following the announcement of an agreement in principle in Verizon-CWA-IBEW talks covering some 39,000 workers in the Northeast, ending a six-and-a-half-week strike, union officials praised Labor Secretary Thomas Perez and FMCS Director Allison Beck and other officials who assisted in the successful negotiations. IBEW President Lonnie Stephenson issued a statement, saying “I offer my deep gratitude to Secretary of Labor Thomas Perez and Federal Mediation and Conciliation Service Director Allison Beck for their efforts to help us reach a fair and mutually beneficial agreement that gets our members back on the job.” Similarly, Chris Shelton, President of the Communications Workers of America, also praised the efforts of Federal mediators. “CWA appreciates the persistence and dedication of Secretary Perez, Federal Mediation and Conciliation Service Director Allison Beck and their entire teams,” he said in a CWA news release.

Brigham and Women’s Hospital and the Massachusetts Nurses Association. With several days of late-night assistance from an FMCS mediator in negotiations between Brigham and Women’s Hospital (BWH) in Boston, MA and the Massachusetts Nurses Association (MNA), labor and management representatives averted a potentially disruptive strike by approximately 3,300 care-givers at the hospital that was to begin if talks between the two had failed.

Kaleida Health System and CWA, SEIU Healthcare Workers and the IUOE. Kaleida Health System is a major health care provider in western New York with more than 7,000-plus workers at various facilities. A disruption in work anywhere in the system would have had a significant impact on the community, defined as the Buffalo, NY-metro area. A Buffalo-based mediator worked tirelessly with the parties over several months chairing almost two dozen bargaining sessions, the last of which requiring a marathon 20-plus hours to avert a highly disruptive work stoppage.

New York’s Con Edison and the Utility Workers Union of America Local 1-2. When New York’s Consolidated Edison, Inc. (Con Edison) and the Utility Workers Union of America Local 1-2 announced that they had reached a new labor settlement, it was after long hours and intensive efforts at the bargaining table under the auspices of FMCS mediators, averting a potential work stoppage that could have disrupted power to customers and affected thousands of working families.

Southern California Supermarket Negotiations. With help from FMCS mediators over many months, southern California grocery workers represented by local unions of the United Food and Commercial Workers (UFCW) and the Ralphs and Albertsons supermarket chains averted a possibly damaging work stoppage, affecting approximately 50,000 supermarket employees in the region and countless supermarket customers. A previous strike by the UFCW locals in 2003-2004 had lasted four-and-a-half months.

Joffrey Ballet and Dancers. With FMCS assistance, the Joffrey Ballet reached a new five-year contract for its company of 41 dancers, represented by the American Guild of Musical Artists (AGMA). The labor agreement for one of the country’s premier artistic institutions preserved the company’s ballet performance seasons through 2020-2021.

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Catholic Health Systems and the Communications Workers of America (CWA). A Buffalo based mediator assisted labor and management in negotiations covering more than 2,500 workers in reaching new contract agreements in FY2016. The CHS negotiations included registered nurses at Sisters of Charity Hospital, St. Joseph Campus; technical associates at Kenmore Mercy Hospital; and registered nurses and service, technical and clerical associates at Mercy Hospital of Buffalo.

VA Medical Centers in Upstate NY (Albany, Syracuse, Canandaigua, Bath, and Buffalo) and the American Federation of Government Employees (AFGE). Syracuse-and Buffalo-based mediators teamed up to co-train a group of five, separate represented units in Interest-based Problem Solving techniques.



Promoting Collaborative Solutions: Labor-Management Training

The Agency's decades of history and its record of accomplishment in U.S. labor relations testify to the adaptability and effectiveness of FMCS mediators at U.S. bargaining tables and also to their skill as dispute resolution practitioners.

Time and again, FMCS mediators have shown themselves to be creative innovators in difficult circumstances, compiling a highly effective repertoire of dispute resolution and training techniques to help labor and management make workplaces more productive and more efficient and to minimize disruptive workplace conflict. Over its decades of experience, and particularly in recent years with the benefit of new dispute resolution science and research, FMCS has supplemented and built upon its core traditional negotiations and relationship development training programs with added innovative technologies and cutting-edge conflict theory. Several delivered core programs included: Effective Contract Administration, Communication Skills, Alternative Bargaining Models, Negotiations Skills, Repairing Broken Relationships, and Organizational Development. In recent years, FMCS mediators have pioneered an innovative economic bargaining model—Affinity Economic Bargaining—which accomplishes a once-thought impossible goal of bargaining over distributive proposals in an integrative fashion. This model has enabled parties in even the most strained financial circumstances to reach mutually satisfying outcomes in record time—in some cases less than a day. As a result, parties trained and facilitated in this model have experienced stronger relationships after reaching a mutually acceptable settlement.



While the Agency's first priority has always been to prevent or promptly resolve labor disputes that could have an immediate, adverse impact on the U.S. economy, FMCS experience has demonstrated the enormous value of training parties in the use of tools and techniques for collaboration and joint problem-solving long before these skills may be needed in a contract dispute. In the private, public, and Federal sectors, FMCS provides a wide range of programs designed to prevent workplace disputes and improve labor-management relationships by helping the parties develop collaborative problem-solving approaches for managing conflict. Refined over decades of hands-on dispute resolution experience, the FMCS labor relations model encourages an ongoing, joint problem-solving approach characterized by open communications, respect, trust, and transparency.

Improving Public and Federal Sector Bargaining Relationships

FMCS also plays a role in helping to achieve constructive labor-management relations throughout the public sector and in the Federal government. While many public and all Federal unionized workers cannot be locked out or go on strike, the

damage from unresolved labor disputes can still be substantial. For example, updating job descriptions, work rules, and work processes can increase organizational effectiveness and allow more cost efficient delivery of services to the public.

In its work to improve labor-management relations in the public and Federal sectors, FMCS has designed relationship-building programs that help unions and government employers develop collaborative, problem-solving approaches and manage their inherent conflicts in the specialized context of public service. Effective use of these programs better enables the parties to respond jointly to changing business and economic conditions. Similarly, FMCS continues its important work in support of effective labor-management forums for Federal government agencies across the country, as mandated by Executive Order 13522, issued in 2009, to "promote satisfactory labor relations and improve the productivity and effectiveness of the Federal Government."



This Presidential order required Federal agencies to establish “[l]abor-management forums [that] allow managers and employees to collaborate in continuing to deliver the highest quality services to the American people.” FMCS mediators have had a central role in training and facilitating forums throughout the country. In addition, the National Council on Federal Labor-Management Relations has frequently called upon FMCS instructional design experts to develop and deliver interactive web-based training tools to improve forum performance.

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For Federal agencies involved in collective bargaining with employee unions, FMCS provides mediation, facilitation, and training services with a focus on building strong labor-management collaboration. This helps the parties drive workforce engagement and mission accomplishment through innovative approaches to improving organizational performance so that the government can deliver the highest quality service to the American public. FMCS, in fact, has had a working team specializing in Federal sector bargaining so that in requesting its mediation services, Federal managers and employees can be assured that an FMCS mediator is experienced and knowledgeable and will be helpful to them in bridging their differences. Ideally, however, FMCS recommends to Federal managers and unions that they begin working with us before they reach a bargaining table.

For several years, FMCS has worked nationally in conjunction with the Federal Labor Relations Authority (FLRA) in training labor and management representatives in how to organize successful labor-management forums. FMCS’s goal under the President’s Executive Order 13522 has been to improve relationships, cooperation and collaboration and to help both sides understand the benefits that result. Since the President issued EO 13522 in late 2009, FMCS has provided more than 270 Relationship Development and Training programs in support of Federal sector labor-management cooperative efforts.

Other Conflict Management Services for Government

The Administrative Dispute Resolution (ADR) Act of 1996 calls upon FMCS to assist Federal, state, and local agencies in resolving disputes arising under their jurisdictions. On a cost reimbursable basis, FMCS provides Federal agencies, state and local governments with a wide variety

of professional services, such as mediating workplace and employment disputes, mediating disputes involving administrative programs, consultation and evaluation in the designing and building of capacity for effective conflict management systems, convening and facilitation services associated with Negotiated Rulemaking, facilitation services for public policy discussions occurring under the Federal Advisory Committee Act, and developing tools for interagency and public-private cooperation and collaboration.

On a cost-reimbursable basis, FMCS has provided a wide variety of professional services to more than 75 Federal agencies and bureaus in FY 2016. These services have included: mediating employment disputes and disputes involving administrative programs; training in the skills and procedures of alternative dispute resolution; consulting, evaluating, designing, and building capacity in conflict management systems; facilitating public policy and intra- or inter-agency discussions; and developing tools for inter-agency and public-private cooperation and collaboration.

In the ensuing decades since enactment of the ADR Act, experience has shown that the Agency’s assistance to government reduces costly litigation, improves government efficiency, and enhances stakeholder engagement in matters of public policy. The Agency has emphasized its work in this area in recent years to more fully pursue the important mission the Act assigned to FMCS. As a result of the commitment of recent years, the FMCS has successfully supported the establishment of effective ADR programs throughout the Federal government in numerous sister agencies.



For example, FMCS continued its successful negotiated rulemaking and public policy assistance in FY 2016 to the U.S. Department of Energy and the Surface Transportation Board.

FMCS leadership in ADR services was spotlighted by the Office of Personnel Management (OPM) in a report released early in FY 2016 on Federal Executive Boards (FEBs) nationwide, detailing FEB program successes, which credited a joint training program with FMCS in providing leadership and ADR training to local FEBs. Under a 2014 memorandum of understanding between the FMCS and OPM, FMCS had provided mediation training services for FEB programs around the country. Under the agreement, in addition to providing skilled mediators to train and mentor agency neutrals in the skills and procedures of mediation, the Agency was also able to reduce the administrative burden on the FEBs by managing the administrative processes such as announcements, registration, confirmations, and evaluations.

After a year of implementation, more than 96 percent of the training participants agreed that the training had addressed important aspects of their needs, and almost 100 percent were satisfied with the quality of the courses, according to the OPM report. In addition, 88 percent of the FEB coordinators had a very good experience utilizing the revised FMCS training process. Overall, in the year the program had been operating, the FEB-sponsored ADR programs successfully settled approximately 400 cases, resulting in an estimated cost avoidance of more than \$18.9 million, according to the OPM report.



FMCS followed up this recognition in the OPM report by collaborating with the FLRA and the General Services Administration (GSA) in a series of two-day workshops on space management and labor relations for Federal offices in Boston, Chicago, Denver, and Los Angeles. The workshops on space management and labor relations were part of a national strategy on effective Federal agency workspace management. A goal of the workshops was to engage Federal workers in the process of more efficiently utilizing Federal office space and reducing the overall footprint of the Federal government and thereby reducing real estate costs. The highly successful inter-agency work group—FMCS, FLRA, and GSA—produced a training video based on these pioneering workshops.

Through previous years and by the end of fiscal 2016, FMCS has continued to be essential to the effective and efficient use of ADR throughout the Federal government. As shown by the recognition it has received and its accomplishments in 2016, FMCS is both experienced and prepared to continue its key role in support of dispute resolution between agencies and their employees and regulated publics or through facilitation of rulemaking and public policy efforts.

Operational Excellence

Adapting to Better Serve Customers and Stakeholders

With the need to keep pace with advancing technology, FMCS embraced and implemented advanced solutions to more effectively train and communicate with customers and Agency stakeholders as well as other key audiences. Leveraging new train-

If FY 2016 was a year of challenges for FMCS in fulfilling our mission goals, it was also a year of many accomplishments behind the scenes that enabled the Agency to meet these challenges. Faced



ing and communications technology, FMCS made available new training for external audiences of labor and management that addressed new workplace issues and complex bargaining topics, emphasizing joint problem solving and best practices for working together for mutual benefit. In addition, technology has expanded the reach of FMCS in better informing and educating the national labor and management community about the benefits of FMCS mediation services and alternative dispute resolution in avoiding or mitigating the costly consequences of economically disruptive work place conflicts. By leveraging new technologies in program training, FMCS was able to expand and further develop what the Agency calls its “Virtual Academy,” which uses on-demand webinars to allow FMCS mediators to sharpen their skills, develop expertise in complex bargaining areas, and share success stories and experience with colleagues.

With new communications and training technologies, FMCS has dramatically enhanced the effectiveness of our digital outreach to customers and stakeholders. With improved communications capabilities, we have raised awareness of the value and benefits of the Agency’s new dispute resolution programs and services, and we have elevated the Agency’s profile among key labor and management decision-makers, culminating with the success of the FMCS 2016 Future@Work Conference, where Agency programs and services, including new dispute resolution products, were showcased to a large national audience of influential labor-management leaders.

New Dispute Resolution Products

To address the ongoing transition of the nation’s economy, FMCS faced key challenges arising from new technologies, evolving workplace issues, and contentious labor-management relations fueled by new kinds of workplace conflicts and collective bargaining disputes taking place in the virtual workplace environments of 21st

century. In answer, FMCS leadership focused on embracing an internal culture of innovation to fulfill the evolving needs of customers. The FMCS agenda for FY 2016 was to upgrade and modernize outdated or obsolete FMCS technology, prepare its mediators to better address the disputes of today’s on-demand, platform-enabled workplaces, and utilize the latest knowledge and most informed dispute resolution training and techniques to assist labor-management customers in conflict and crisis.

Future@Work: The FMCS National Labor Management Conference

Much of FMCS’s new technological capabilities were on display in August, 2016, for the resumption of the once highly acclaimed FMCS National Labor-Management Conference. For many years, the FMCS national conference

was recognized as the nation’s premier professional gathering in the field of labor relations. The Conference had been known for bringing together a diverse audience of labor, business, and government leaders, academics, and labor relations practitioners for networking, professional learning, and knowledge-sharing. Last held in 2008, the Conference was restored at the strong urging of FMCS’s labor and management stakeholders, who face immense challenges as workers and managers in a rapidly transitioning economy. The theme for the return of the Conference was the “Future@Work: Trends, Tools and Tech-



niques for Partnering in the New Economy.” The focus for the event was on the 21st century economy and its rapidly evolving workplaces. FMCS designed the Conference and has aligned Agency programs and services in the Future@Work initiative to better assist labor and management in addressing such 21st century issues as the hiring and retention of new generations of workers; the impact in labor relations of artificial intelligence and robotics; and rapidly advancing platform-based work models and contingent work. The Conference offered its more than 1,000 attendees the opportunity to select from more than 70 workshops, panel discussions, and plenary session on topics ranging from traditional negotiations skills to cutting-edge neuroscience of conflict.



In his keynote presentation at the Conference, AFL-CIO President Richard Trumka spoke with profound gratitude to the FMCS mediators in the audience. “On behalf of the 12.5 million working women and men of the AFL-CIO, I just want to say thank you for everything you do, and the spirit in which you do it,” Mr. Trumka stated. Later, returning again to the subject of FMCS, Mr. Trumka added, “America needs collective bargaining. We need it to help businesses grow, workers succeed and communities thrive. We need it to create a level playing field, a fairer economy and a stronger country. Labor and management, working together, communicating and compromising. Sacrificing and listening. Reaching common ground. Using common sense. Benefitting the common good. That is the future at work. And if we stumble, FMCS will be there to get us back on track.”

On the management side, Kaiser Permanente Chairman and CEO Bernard J. Tyson paid tribute at the Conference to the value of labor-management cooperation—a core FMCS goal—in building a world class health-care organization. “When people ask me what the secret of the labor-management partnership is, I am very clear. It is the people. It is the people of both management and labor that have come together in an environment to produce the best outcome for the millions of people who depend on us every day,” he stated. Later he added, “We believe that as we continue to build that environment, where everyone can speak up and speak out and produce better results, we will be better off and build a great organization, called Kaiser Permanente.”



In addition to these leaders from labor and business, OPM Acting Director Beth Cobert led a panel discussion on Federal labor relations that brought together David Cox, National President of the American Federation of Government Employees; Greg Junemann, President of the International Federation of Professional and Technical Engineers; Tony Reardon, National President of the National Treasury Employees Union; and Bill Dougan, President of the National Federation of Federal Employees. Other featured speakers, discussion panelists, and presenters at the Conference included: Susan N. Story, President and CEO of American Water; Jason Dorsey, International Expert on Generational Dynamics, Millennials, Generation I; Mark Gaston Pearce, Chairman of the National Labor Relations Board; Richard F. Griffin, Jr., General Counsel of the National Labor Relations Board; Lynn Rhinehart, General Counsel of the AFL-CIO; Randel K. Johnson, Senior Vice President, Labor, Immigration, and Employee Benefits, of the U.S. Chamber of Commerce; Christina Stembel, Founder and CEO of Farmgirl Flowers; Thomas Kochan, George Maverick Bunker Professor of Management and Co-Director, MIT Sloan Institute for Work and Employment Research; Wilma B. Liebman, Former Chairman of the National Labor Relations Board; Dan Yager, President and CEO of the HR Policy Association; Jorge Ramirez, President of the Chicago Federation of Labor; and Rahm Emanuel, Mayor of Chicago.

The wide-ranging Conference program provided informative offerings for attendees, regardless of levels of expertise, from novice to expert, and covered such current topics as:

- Bargaining Trends in new media, education, healthcare, performing arts;
- Innovative Solutions for health care and pension benefits;
- Recruitment and Retention of Millennials and Alphas;
- Partnering in the New Economy by building on the traditional LMC framework;
- The Neuroscience of Conflict exploring why and how we act to improve our approach; and



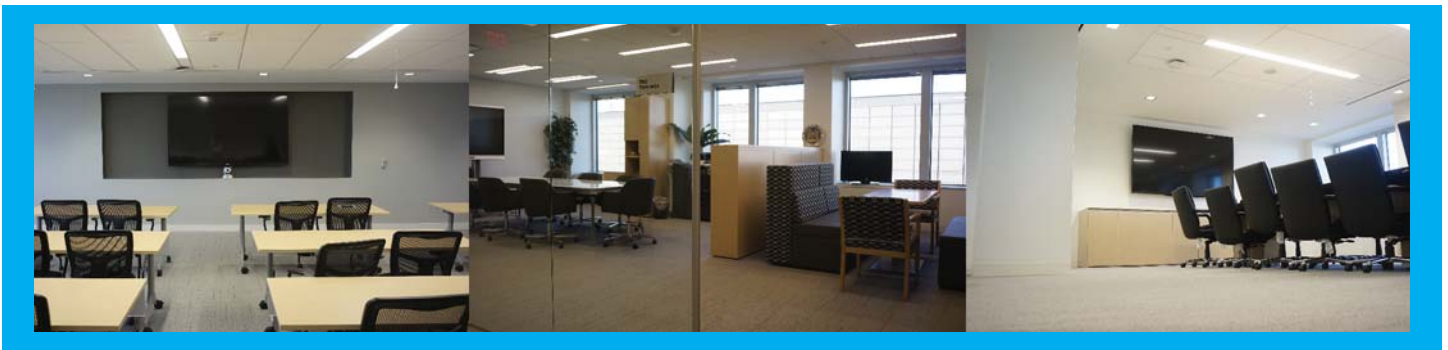
- Innovative and Expedited Bargaining Processes, including the Affinity Model of Collaborative Bargaining—an FMCS-pioneered process that Agency experience has shown can dramatically reduce the amount of time needed to complete even the most complex economic bargaining, requiring only hours in many cases, instead of days, weeks, or months.

Post-conference evaluations revealed what many verbalized during and after the event—that the Conference was an exceptionally valuable learning and networking opportunity for labor, management, and neutral practitioners. The 2016 event was such a success that plans are already underway at FMCS for the 2018 National Labor-Management Conference.

Preparing for the FMCS Headquarters Relocation

Among the greatest challenges FMCS faced in FY 2016, the Agency prepared to relocate its headquarters from its longstanding address at 2100 K Street, NW in Washington, D.C. due to the planned demolition of the building. Although unquestionably disruptive to the normal flow of Agency operations, the relocation was also seen as an opportunity to re-align

headquarters space with re-organized FMCS administrative operations. The relocation represented an opportunity to expand FMCS's training and mediation space, shrink the footprint that its support operations required, and rethink how employees could work together more effectively. Efforts to secure new space, implement design and build-out requirements, plan for continuation of operations, and transition nationwide IT server operations during the move-in period had to be completed by an October 2016 deadline date. A focus of the design for new FMCS headquarters space was to meet the 21st century needs of labor, management, and government customers by ensuring state-of-the-art meeting and training facilities.



As an Agency whose primary mission involves direct customer engagement, whether through training, mediation, or facilitation of labor-management and government, the ability to deliver effective and efficient services with comprehensive, versatile, and reliable technology was an essential design consideration. User-friendly and comprehensive technologies were installed to allow mediators to offer adaptable meetings and training programs able to handle in-person and remote participants seamlessly. Additionally, the final headquarters design differed substantially in layout for FMCS administrative operations, shifting from a multi-floor configuration at 2100 K Street NW to a single-floor layout at the new FMCS offices. The single-floor design offered the Agency and its employees greater capability for fluid collaboration between different support functions, modeling the problem-solving processes and principles our Agency promotes as best practices for organizational success. Employees of the FMCS Headquarters reported for duty at the new 250 E Street SW location on October 24, 2016, shortly after the completion of the 2016 fiscal year.

With every expectation of a smooth geographic transition to a new location, the Agency's re-energized headquarters labor-management forum was fully involved in pre-decisional involvement discussions throughout the preparations for the Agency move. As a result of the positive labor-management relationship that had been developed at FMCS between the bargaining unit and Agency leaders, FMCS reaped the benefit of a highly productive exchange of ideas and joint problem-solving that led to a reduced Agency footprint, improved work flow and processes, and new, more efficient space design and service delivery.



In addition to its headquarters re-location in FY 2016, FMCS closed six field offices due to underutilization, further reducing the Agency's footprint by 8,674 square feet and saving the agency approximately \$150,000 a year. In addition, three market surveys were conducted for new space in Collierville, TN, Houston, TX, and Duluth, MN to better serve our customers there. It is anticipated these offices will open in late FY 2017.

Preparing for the Future@Work

FMCS has also focused efforts toward updating systems and directives to meet the objective of achieving the highest levels of operational efficiency and organizational integrity. Also, by fostering the use of innovative technologies and cutting edge strategies for professional development and customer engagement in recent years, FMCS has significantly

expanded its capability to serve, communicate with, promote collaboration between, and train its geographically dispersed customers and workforce while minimizing travel costs.

Early in 2015, FMCS began the serious work of ensuring that the Agency is a model of government efficiency, integrity, employee engagement, and customer service. With the last in-depth examination of Agency structure, management, and services occurring nearly 20 years ago, FMCS continued in 2016 with the implementation of the "Securing the Future of FMCS Together" initiative. Sometimes referred to as "FMCS 2.0," the initiative was launched under Director Beck in fiscal 2015. It embraced the principle of engaging all FMCS employees in mapping a path forward for the Agency. The overarching goal of the initiative has been to ensure that FMCS meets the highest standards of integrity and operational excellence and adopts an organizational culture of inclusion and innovation to fulfill the evolving needs of its customers. The hallmarks of the ongoing "Secure the Future" initiative have been:

- Ensuring the continuing value and relevance of Agency services;
- Positioning the Agency for the future, both internally and externally;
- Reinforcing a culture of integrity and compliance; and
- Fostering an atmosphere of respect, engagement, inclusion, and innovation.

These organizational guideposts marked the way for FMCS as the Agency faced key challenges arising from new technologies, evolving workplace issues, and increasingly contentious labor-management relations in the nation's workplaces. In FY 2016, FMCS advanced well beyond the work it had begun the year previously by successfully upgrading and modernizing technology, such as transitioning the entire Agency to a web-based time and attendance record-keeping system. Web-based technology also enabled mediators to better address the disputes of the new economy, and to utilize the latest knowledge and most informed dispute resolution training and techniques to assist FMCS labor-management customers.

FMCS has significantly expanded its capability to serve, communicate with, promote collaboration between, and train its geographically dispersed customers and workforce while minimizing travel costs.

Internally, FMCS also has been addressing the human capital challenges that have accompanied the high levels of retirement experienced by the Agency in recent years. Between 2014 and 2016, FMCS recorded three consecutive years of significant mediator retirements. In 2015, for example, FMCS lost 18 mediators to retirement and an additional 13 in 2016, which cost the Agency many years of combined mediation experience. In response, FMCS has recruited, on-boarded, and begun training 15 new mediators, or slightly more than 9 percent, while diversifying and encouraging a culture of inclusion and operational excellence within its mediator workforce. Training new mediators is a labor-intensive process, involving five weeks of formal classroom training and between six and 24 months of on-the-job training and job shadowing. Bringing a large number of new employees without previous Federal experience into any organization presents challenges, but it also has provided an opportunity to create a consistent operating culture of inclusion and excellence. In all, from 2009 to the present, FMCS has



assimilated 179 newly-hired employees in its total workforce of approximately 240 employees. In FY 2016, the Agency saved approximately \$100,000 by processing all of its vacancy announcements in-house, instead of contracting with OPM for this function, as had been past practice.

With mediator training of such critical importance, concerted efforts during the year produced numerous opportunities for FMCS mediators to share “best practices” among their colleagues. Headquarters and field staff provided maximum support to field mediators with resources, specialized training and technological tools—all with the goal of enabling FMCS to deliver high quality, state-of-the art, professional programs and services to current and future customers. The emphasis was on information and knowledge-sharing, due to the large number of FMCS mediator retirements. To mitigate or avert any loss of institutional know-how that might result from so many retirements, FMCS continued its innovative “flash mentoring” program. “Flash mentoring,” which was successfully implemented at several regional staff meetings in FY 2015, is defined as a one-time meeting or discussion that enables an individual to learn and seek guidance from a more experienced person. Flash mentoring has provided valuable learning opportunities for newer employees while requiring a limited commitment of time and resources from mentors. As implemented by FMCS at regional meetings, newly hired mediators during round-table conversations have quizzed and gained knowledge from senior mediators about best practices in different service delivery areas.

Employee Engagement

Sharing ideas, information and knowledge has been the foundation for FMCS’s “employee engagement” initiative, launched in FY 2015 and continuing to the present as a key component of the Agency’s “Securing the Future of FMCS Together” organizational plan. Employee engagement is a central element of FMCS strategy to improve retention and performance and to create an enhanced organizational culture. When employees are engaged, they are committed to their organization’s goals and values, motivated to contribute to organizational success, and are simultaneously able to enhance their own sense of well-being. To maintain its comparatively high level of engagement, as compared with other similarly sized agencies, FMCS has encouraged diverse viewpoints, solicited employee feedback, and recognized innovation.

Open communication and transparency at FMCS also are highly valued within the Agency’s organizational culture. Implementation of these organizational values was accomplished by, among other things: regular communications from the Director, including frequent, online, Agency-wide “town hall” meetings with the Director; daily internal and external news roundups; regular newsletters featuring up-to-date information about significant cases and training programs; regular meetings between the Agency Director, managers, and staff, instituting monthly meetings with headquarters managers to discuss upcoming needs, goals, action plans and deliverables; providing field directors with opportunities for regular information exchange and collaboration; and reinvigorating the FMCS labor-management forum to constructively engage the Agency’s unionized workforce on a regular basis.

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Promoting and encouraging respect for diversity has also been a key element of “employee engagement” at FMCS. The Agency’s Equal Opportunity Program led internal efforts in 2016 with frequent “Special Emphasis Events” that brought together FMCS employees in physical and virtual meeting environments for presentations on the value of diversity, highlighting the contributions and important roles in American history of various groups of varying heritage or ethnicity. The content of each “Special Emphasis” event was made available online so that those who were unable to attend could review the information at a more convenient time.

Again in 2016, such efforts to engage FMCS employees continued to have a substantial and positive impact on the Agency.



In the 2016 OPM Employee Viewpoint Survey, FMCS again was ranked among the top five small Federal agencies as a “best place to work” in the Federal government. A year previously, the Agency had achieved a number one rating in the survey rankings for a third time in a decade, as rated the Partnership for Public Service. FMCS sees its record of outstanding performance in the OPM surveys as one more measure of the strong commitment among FMCS employees to high standards and to the Agency’s vital mission of helping to resolve workplace conflict.

Data from OPM’s survey have also shown the positive impact of the Agency’s re-organization and re-structuring initiative, “Securing the Future of FMCS Together,” which has been previously described. The initiative has emphasized employee engagement, inclusion, and new ways to inspire creativity, teamwork, innovation, and service delivery. At FMCS, Agency managers and employees together make it a priority to live by the values FMCS espouses as organizational best practices to customers, stakeholders, and disputing parties—open communications, transparency, and joint problem-solving. As a result, FMCS has continued to achieve high ratings in many of the individual categories of OPM survey data, including “Employee Skills-Mission Match,” “Empowerment,” “Innovation,” “Work-Life Balance,” and “Support for Diversity.” The Agency also consistently scores well in “Leaders,” “Supervisors,” “Pay,” and “Teamwork,” based on employee responses to survey questions.

FMCS Labor-Management Grants Program

The FMCS Grants program, which began in 1981 under the authority of the Labor-Management Cooperation Act of 1978 (PL 95-524), has funded a broad range of projects including outreach, communications, strategic planning, minority recruitment and process development, encouraging cooperative efforts among unions and employers in jointly addressing issues such as health, safety, employee training and the resolution of workplace disputes. The Labor-Management Cooperation Act of 1978 recognized the economic benefits of a more proactive approach to workplace stability. FMCS awards grants to encourage the establishment of local, regional or industry-wide labor-management committees to improve labor-management relationships, organizational effectiveness, and economic development. FMCS also promotes workplace innovation, productivity, and competitiveness through good labor-management relationships, collaboration, and problem solving between companies and their workers.

In FY2016, FMCS unveiled its revitalized grant program cycle, highly-focused on innovation and the transitioning economy. This FMCS seed money enabled grantees to navigate hiring and retaining the next generation of skilled workers, compete globally, and adapt to the next stage of the transitioning economy. We established high standards for our applicants at the outset of the 2016 grant cycle and encouraged applications from joint labor-management committees confronting specific, definable problems for which they have developed clear, innovative, collaborative and measurable long-term solutions.

In FY2016, FMCS unveiled its revitalized grant program cycle, highly-focused on innovation and the transitioning economy.

Grantees in FY 2016 were:

- Finishing Trades Institute of the Mid-Atlantic Region (FTI MAR), Philadelphia, PA. The highly regarded FTI MAR labor-management partnership is receiving funds for a new initiative designed to attract, hire, and retain the next generation of workers in the construction industry, where there is a significant shortage of highly skilled workers. Uniquely, this program will develop both hard and soft skills among high school graduates and provide important opportunities for continuing education in post-secondary degree programs at institutions of higher learning. Partnering with two colleges on programming and curriculum development, FTI MAR will guide newly hired workers in the construction industry finishing trades from high school to a bachelor’s and master’s degree, providing program participants with advanced opportunities in construction management, architecture, and organizational design.
- SEIU Healthcare NW – Health Benefits Trust, Seattle, WA. Due to well-documented demographic changes in the U.S., there is a dramatically increasing need for skilled Home Care Workers (HCWs) to care for the elderly and disabled in



their homes. Providing care in the home not only saves on hospital and nursing home costs, but also improves the quality of life of this growing population. One issue that has not been addressed in the context of this widely expanding sector of the economy, however, is the increased risk of on-the-job injuries to individual HCWs. Unlike workers in other industries, such as manufacturing, construction, or facility-based health care delivery, HCWs lack access to standard safety equipment. To the extent such equipment is available, it currently depends entirely on the elderly or disabled client to drive the requisition process and HCWs are therefore at increased risk for on-the-job injury. FMCS seed money will permit the creation of a Labor-Management Committee to evaluate the potential of worker-carried mobile assistive devices in a “safety toolkit” that can easily be carried into clients’ homes by the HCW. The project will produce much-needed evidence about the injury reduction potential of the portable toolkit and serve as foundation for developing best practices in HCW safety. Results will be shared with key stakeholders in Washington State’s home care system as well as with a national audience to help build awareness, develop best practices, and prevent on-the-job injuries in home care.

- Rutgers, the State University of New Jersey, Piscataway, NJ. The New Jersey K-12 Public School Labor-Management Committee (the “Committee” or “LMC”) is receiving a grant to advance student performance, teacher retention, and overall educational quality. Evidence has shown that a collaborative, partnership approach is a cornerstone of excellence in teaching and learning. FMCS seed money will allow the Committee to broaden and deepen its reach by regularly convening an innovative Inter-District Learning Network to facilitate the exchange of ideas, experiences, and best practices for improving educational outcomes. In addition, the establishment of a website and annual state-wide information and learning exchange will further support this network of districts, administrators, and educators. The Committee, aided by researchers from Rutgers University, will evaluate and deliver a report on the impact of increased labor-management collaboration on student performance, teacher retention, and overall educational quality at the district and local school level.

Conclusion With an economy in transition, FMCS is at the forefront of developing new approaches to managing workplace conflict in business, industry, services and government. We are working hard to develop innovative conflict resolution techniques and tools, and using the latest technologies to help a new generation of workers and employers find solutions and success in resolving potentially disruptive workplace disputes.

FMCS continues to play a key leadership role for government and particularly for the Federal sector with a newly refined and expanded menu of training and dispute resolution programs. FMCS provides the necessary know-how to other Federal agencies and to government at all levels for resolving and managing conflict. Training and dispute resolution programs for government clients result in enhanced labor-management collaboration, joint problem-solving, effective communication, increased employee engagement, diversity, mutual respect, and trust. FMCS training and dispute resolution programs help bring about improved efficiency and cost effectiveness when labor and management find better ways to work together to achieve these results. FMCS also provides useful services to government at the Federal, state, and local levels with customized dispute resolution solutions for agencies in the context of their administrative, regulatory, or enforcement activities.

Internally, FMCS has prepared itself by embracing the highest ethical and compliance standards. In “Securing the Future,” FMCS managers and employees have worked together to engender a positive sense of enthusiasm and urgency in meeting the new challenges of the 21st century. FMCS is reaching new customers by leveraging the talent and creativity of its workforce with the newest technologies. Agency employees are working harder and innovating more than ever with extraordinary results.

Today, FMCS finds itself functioning—and leading—in an environment greatly changed from its beginning nearly seven decades ago. What began as a small, but critical labor relations agency in the industrial age is structured today to meet the high-tech demands of workplace conflict in the midst of a “fourth industrial revolution”—a new era—in which workplaces can be virtual, disputes can occur in cyberspace, and settlements can be community-wide with numerous stakeholders.

In FY 2016, FMCS took giant steps to secure the future of this small but vital Agency. Nowhere is this more apparent than in the FMCS workforce. Agency employees feel privileged and proud of their central role in ensuring the smooth functioning of the U.S. economy. They are confident that they have the tools, knowledge, abilities and resources that they will need to help companies and their workers create more collaborative, competitive and productive workplaces, and that because of their work, our country’s overall economic well-being is more secure.

FY 2016 Agency Services

Agency Mission

The Federal Mediation and Conciliation Service (FMCS) is an independent agency of the Federal government established by Congress in 1947 to help employers and unions avoid costly work stoppages and minimize their potentially devastating effects on regional or national commerce. FMCS, headquartered in Washington, D.C., has mediators located in over 60 field offices and ten regional offices across the country and is best known for its history of successful and innovative advances in labor-management collaboration, joint problem-solving and the resolution of major collective bargaining disputes.

In 1996, Congress recognized this record for pioneering dispute resolution techniques and highly skilled professional mediators and called upon FMCS to help other Federal, state and local agencies minimize costly litigation by resolving disputes arising under their jurisdictions. Thus, while its core activity remains the prevention or resolution of labor-management disputes, FMCS also provides its sister agencies with a wide variety of alternative dispute resolution services.

Collective Bargaining Mediation

Through collective bargaining mediation, FMCS helps avert or minimize the cost of work stoppages to the U.S. economy. FMCS'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. 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 2016, FMCS mediators were actively involved in more than 3,500 collective bargaining contract negotiations in every major industry throughout the United States.

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. FMCS 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 increase the importance of resolving contentious issues arising during the term of a contract. In FY 2016, FMCS mediated more than 1,670 grievance mediation cases and helped the parties reach agreement in 1,264 of these (76 percent).

Arbitration Services

National labor policy favors arbitration over litigation for settling contractual disputes. The FMCS Office of Arbitration Services maintains a roster of approximately 1,000 independent arbitrators who are qualified to hear and decide disputes over the interpretation or application of collective bargaining agreements. Upon request from the parties, FMCS furnishes a list of names from which they may choose an arbitrator to hear their case and render a decision. FMCS administers its established policies and procedures on arbitration, which also incorporate the Code of Professional Responsibility for Arbitrators of Labor-Management Disputes, to which FMCS is a signatory.

During FY 2016, the Office of Arbitration Services processed more than 12,000 requests for panels and oversaw the appointment of approximately 5,400 arbitrators nationwide.

Relationship Development and Training



Preventing conflict that may arise during the term of a collective bargaining agreement is another important goal of FMCS. 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. 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

Alternative Bargaining Training teaches the benefits and techniques of a non-adversarial, joint problem-solving approach to negotiation. In addition to the Interest-Based Bargaining process, various models include:

- The Affinity Model of Collaborative Economic Bargaining. The Affinity Model is a facilitation tool that can be applied immediately to deal with distributive economic issues in an integrative and collaborative setting. The Affinity Model of bargaining has been used with a great success in a variety of industries and sectors such as K-12 Education and the Performing Arts.
- Critical Issues Bargaining (CIB). CIB is a hybrid collaborative bargaining model which encourages information-sharing and interest-based problem-solving to resolve issues, and which then provides a built-in transition to traditional bargaining for unresolved and other critical issues. Prior to bargaining, parties present their economic forecasts, projections, and parameters.

FMCS Relationship Development and Training Programs



FMCS has developed other alternative bargaining models for training parties to enhance problem-solving and mitigate adversarial relationships. These include: Enhanced Conventional Negotiations (ECN); Compressed Bargaining (CB); and Modified Traditional Bargaining (MTB).

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 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 in effective negotiation and communication skills.

Conflict Management and ADR Services. FMCS provided conflict management and ADR services nearly 1,100 times in FY 2016. These services included negotiation, mediation, convening, facilitation, training, and systems design. FMCS provides these ADR services to Federal agencies and to state and local governments on a cost-reimbursable basis:

Workplace and Employment Disputes. FMCS mediates workplace and employment disputes for Federal and state agencies. The majority of these disputes concern claims of employment discrimination (EEO), other types of personnel issues and workplace conflicts. FMCS accepts individual and multi-party conflicts for mediation.

Disputes Involving Administrative Programs. FMCS also mediates disputes between agencies and their "regulated public," such as whistleblower complaints or disputes involving contracts, grants, licenses, enforcement, and administrative programs.



Training Persons in the Skills and Procedures Employed in Alternative Means of Dispute Resolution. FMCS also provides training in conflict resolution to aid in the effective use of alternative dispute resolution throughout the Federal government. To that end, FMCS offers both live and web-based training on a variety of topics.

Consultation, Evaluation, and Systems Design. FMCS provides professional conflict resolution specialists to help agencies design conflict prevention and resolution systems to build capacity for constructive conflict management systems. Systems design may include an initial consultation, an assessment, program design and development, training delivery, and program management follow-up.

Facilitation during Decision-Making. Particularly in times of limited budgets, FMCS facilitation services can help agencies achieve cost-savings when decision-making is delegated to a committee, task force, or other type of group. FMCS facilitation services, including consultation, convening, training, and the actual facilitation, help groups accomplish their tasks within specified time frames. Notably, these services can be provided both onsite and virtually, another valuable time and cost saving feature of FMCS facilitation services.

Negotiated Rulemaking. Negotiated rulemaking is a process in which a government agency invites persons and groups potentially impacted by a proposed rule to participate in its drafting. Interested parties who might otherwise oppose or challenge the rule are given the chance to participate in its formulation, thus reducing post-issuance challenges. The Negotiated Rulemaking Act of 1996 authorizes FMCS to convene and facilitate this process. Since the 1980s, FMCS has convened and facilitated dozens of negotiated rulemakings for numerous agencies.

Agency Cooperation and Collaboration. FMCS can facilitate intra-agency or multiple agency groups tasked with developing a strategic plan or identified objective involving complex matters. Interest-based problem-solving and collaboration skills are essential to achieving successful outcomes.

Public Policy Dialogues. Similarly, FMCS is often called upon to facilitate public policy discussions involving Federal agencies and public-private stakeholders such as those conducted under the Federal Advisory Committee Act (FACA). These multi-party stakeholder discussions can benefit from the assistance of a skilled and neutral facilitator experienced in synthesizing discussion points and interests, as well as establishing and overseeing meeting structures and processes. Training and coaching are also available for participants.

International Training and Exchange



Beyond the nation's borders, FMCS plays an important role in promoting collective bargaining and conflict resolution around the world. The FMCS 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. These programs are also a knowledge-sharing experience: FMCS mediators gain familiarity with complex issues affecting the global economy and, as a result, are more effective in resolving domestic labor-management disputes with international implications.

In addition to programs delivered abroad, every year FMCS mediators host numerous foreign delegations visiting the United States and educate them in U.S. labor-management relations and conflict resolution practices. In 2016, FMCS hosted visiting delegations from Taiwan and Honduras at the Agency's Washington, D.C. headquarters. In addition, under the terms of inter-agency agreements with the U.S. Department of Labor's Bureau of International Affairs (ILAB) and the International Labour Organization (ILO), FMCS completed training and consultation programs serving seven countries overseas. FMCS mediators provided training in Bangladesh, Burma, Lesotho, Morocco, Honduras, Haiti, and Swaziland. Throughout the programs, FMCS trainers provided instruction for labor inspectors, labor representatives, employer representatives, government officials and other labor dispute stakeholders in these countries in topics such as negotiations, communication, dispute resolution, problem-solving, mediation skills and trainer skills. They also provided consultative support for governments in these countries to assist in their efforts to develop effective dispute systems and organizations.

In another indication of Agency international expertise in 2016, several FMCS mediators were accepted to serve on the international roster of mediators for the United Nations (UN) and United Nations Staff Management Committee (UN SMC) to provide mediation services for bargaining and UN employee workplace disputes. While acceptance does not guarantee that FMCS mediators would be utilized, selection by the UN Staff Management Committee reflected positively on the quality of experience and reputation of FMCS mediators. FMCS international training programs are delivered using cost-reimbursable funds, largely through interagency acquisition agreements with other government agencies, such as the Departments of State, Labor, and USAID.



FMCS Institute for Conflict Management

The FMCS Institute for Conflict Management (Institute) delivers accessible, innovative, and experience-based conflict resolution training for individuals and small groups of employees and managers. The training is specifically designed to meet the challenges of labor-management relations and organizational change. The Institute's training programs provide participants the opportunity to interact with and learn from experienced practitioners who use these skills every day. Federal mediators and private-sector arbitrators comprise the Institute faculty. The Institute runs as a reimbursable program and is funded by fees received from training participants.

Labor-Management Committee Grants

The 1978 Labor-Management Cooperation Act authorizes and directs FMCS 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." Congress funds this initiative in annual appropriations to FMCS, and grants are competed and awarded to encourage labor-management committees to develop innovative joint approaches to workplace problems.

In FY 2016, FMCS awarded \$514,486 in grants from funds appropriated to the grants program.

Mediation Services Program Data



PROGRAM SERVICES	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
1. COLLECTIVE BARGAINING MEDIATION.....					
Assigned Cases ^[i]	13,114	12,938	12,054	11,636	11,734
- Private Sector	11,814	11,802	10,856	10,620	10,678
- Public Sector (state and municipal)	943	843	905	749	738
- Federal Sector	357	293	293	267	318
Mediated Cases ^[ii]	4,528	4,122	4,009	3,719	3,540
- Private Sector	3,079	2,826	2,697	2,600	2,435
- Public Sector (state and municipal)	1,111	981	1,020	842	808
- Federal Sector	338	315	292	277	297
Closed Cases	13,652	12,651	12,032	11,644	11,605
Closed Mediated Cases	3,764	3,339	3,299	3,081	2,941
Activity Rate ^[iii]	28%	26%	27.4%	28.8%	25.3%
Settled and Closed Mediated Cases	3,159	2,807	2,852	2,605	2,516
Percentage of mediated cases settled w/FMCS ^[iv]	84%	84%	86.5%	84.6%	85.5%
Activity rate in significant cases ^[v]	46%	47%	40.6%	42.6%	38.7%
2. GRIEVANCE MEDIATION.....					
Assigned Cases	1,837	1,872	1,762	1,729	1,713
Mediated Cases	1,784	1,809	1,704	1,676	1,670
- Private Sector	1,372	1,398	1,330	1,319	1,269
- Public Sector (state and municipal)	264	267	256	240	267
- Federal Sector	148	144	118	117	134
Settled GM Cases	1,367	1,383	1,308	1,221	1,264
Percentage of cases settled w/ FMCS ^[vi]	77%	76%	76.8%	72.9%	75.7%
3. RELATIONSHIP-DEVELOPMENT AND TRAINING.....					
Number of training programs provided	2,128	2,027	1,884	1,923	1,941
- Private Sector	1,262	1,174	1,111	1,090	1,107
- Public Sector (state and municipal)	463	533	436	472	471
- Federal Sector	403	320	337	361	363

^[i] 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 30 days prior to contract expiration. Not all cases providing notices are assigned. Actual 2015 FMCS case intake was nearly 20,000.

^[ii] Mediated cases represent the number of cases in the FY where mediators have become active in the negotiations.

^[iii] Defined as the number of closed cases where there was at least one meeting divided by the number of total closed assignments.

^[iv] Defined as the number of mediated cases settled divided by the total number of mediated cases.

^[v] Significant cases are generally defined as situations where the bargaining unit exceeds 1,000.

^[vi] Defined as the number of grievance mediation cases settled and closed within the fiscal year divided by the number of closed GM assignments.

Mediation Services Program Data



	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
PROGRAM SERVICES					
4. ADR Services.....					
Mediated Cases	1,110	1,118	910	1,193	1,076
- Federal Sector	1,090	1,089	884	1,152	1,057
- Public Sector (state and municipal)	5	1	6	3	3
- Private	15	28	20	38	16
Settled ADR Cases	537	488	410	536	479
Percent of ADR cases settled w/ FMCS ^[vii]	48%	44%	45.1%	44.9%	44.5%
5. OUTREACH.....					
Outreach cases ^[viii]	3,019	2,911	2,710	2,722	3,049

	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
PROGRAM SERVICES					
6. ARBITRATION SERVICES.....					
Number of panels issued	13,538	13,361	13,179	12,744	12,250
Number of arbitrators appointed	6,129	6,020	5,836	5,415	5,296
7. GRANTS.....					
Number of grants funded	0	0	0	8	3
8. INSTITUTE.....					
Number of courses provided	8	10	8	8	9
Number of participants	179	188	114	151	142

Work Stoppage Information

	2012	2013	2014	2015	2016
Work stoppages carried from preceding FY	24	21	16	14	12
Work stoppages beginning within FY	161	154	106	110	100
Work stoppages closed within FY	164	159	108	112	97
Work stoppages open at end of FY	21	16	14	12	15
Average duration of work stoppages in closed cases (number of days)	49	44.3	75.7	64.9	40.1
Estimated number of worker-hours lost due to work stoppages (1,000s)	11,038	15,317	6,823	39,280	24,017

^[vii] Defined as the number of ADR cases settled divided by the number of mediated cases closed.

^[viii] 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.

Arbitration Services Program Data



Arbitration Services

Program Data

Activity	2011	2012	2013	2014	2015	2016
Panels Issued	14,367	13,538	13,361	13,179	16,689	12,250
Arbitrators Appointed	6,608	6,129	6,020	5,836	5,415	5,296
Activity Charged For						
Travel Days	.44	.92	.63	.59	.76	1.14
Hearing Days	1.10	1.13	1.05	1.17	1.39	1.51
Study Days	2.37	2.37	2.39	2.21	3.11	3.42
Total	3.91	4.42	4.07	3.97	5.26	6.07
Average Charges						
Per Diem Rate	\$984	\$1,006	\$1,024	\$1,045	\$1,212	\$1,314
Amount of Fee	\$4,045	\$4,576	\$4,517	\$4,488	\$6,290	\$7,490
Amount of Expenses	\$384	\$389	\$395	\$405	\$456	\$508
Total Charged	\$4,429	\$4,965	\$4,912	\$4,893	\$6,746	\$7,998

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