

# GAO Highlights

Highlights of [GAO-14-5](#), a report to congressional committees

## Why GAO Did This Study

A small federal agency, NMB facilitates labor relations in two key transportation sectors—railroads and airlines—through mediation and arbitration of labor disputes and overseeing union elections. Established under the Railway Labor Act, NMB’s primary responsibility is to prevent work stoppages in these critical industries. The FAA Modernization and Reform Act of 2012 required GAO to evaluate NMB programs and activities. GAO examined NMB’s (1) strategic planning and performance measurement practices; (2) controls for key management areas; and (3) challenges, if any, in overseeing elections. GAO assessed NMB’s management practices using internal control standards and other GAO criteria; interviewed NMB officials, current and former board members, and key stakeholders from rail and air labor and management groups; and reviewed relevant federal laws, regulations, and NMB policies.

## What GAO Recommends

Congress should consider authorizing an appropriate federal agency’s IG to provide oversight of NMB. NMB should implement a formal strategic planning process and develop performance goals and measures to meet federal requirements, develop a process to address audit findings, implement key components of an information security and privacy program, and engage in strategic workforce planning. NMB should also collect and analyze data on the types of rail grievances filed to help improve efficiency in its arbitration process. In commenting on a draft of this report, NMB said it would address our recommendations and described actions it plans to take.

View [GAO-14-5](#). For more information, contact Revae Moran at (202) 512-7215, or [moranr@gao.gov](mailto:moranr@gao.gov).

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## NATIONAL MEDIATION BOARD

### Strengthening Planning and Controls Could Better Facilitate Rail and Air Labor Relations

## What GAO Found

The National Mediation Board (NMB) recently updated its strategic plan but is not meeting some federal strategic planning and performance measurement requirements. NMB missed deadlines for updating its strategic plan and lacks performance measures to assess its progress in meeting its goals, even though an agency’s strategic plan should form the basis for everything an agency does.

NMB also lacks some controls in key management areas that could risk its resources and its success:

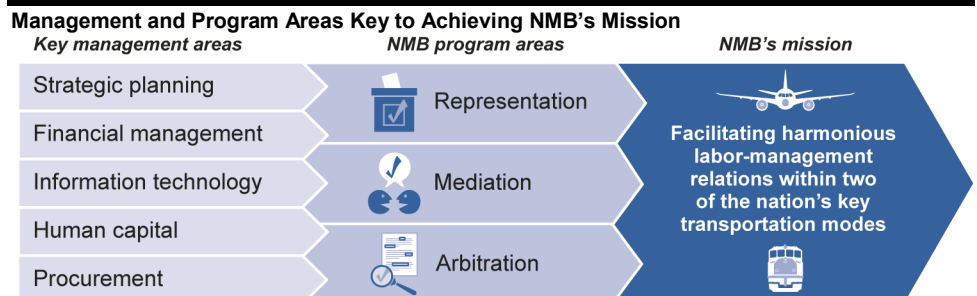
**Financial accountability:** NMB contracts for annual financial statement audits and internal control reviews. However, it lacks a formal process for addressing identified deficiencies, a key internal control.

**Information technology:** NMB recently transitioned to new information technology systems but is missing key management and security controls, including an information security program that fully implements federal requirements.

**Human capital:** NMB has taken steps to improve its human capital program but improvements are still needed. Although all NMB senior managers are eligible for retirement, NMB has not engaged in formal workforce planning to identify gaps in staff skills, and strategies, such as training, to address them.

**Procurement:** NMB has established some key procurement policies and controls but weaknesses remain. For example, in a recent purchase of tablet computers for some staff, NMB did not follow its own procedures to assess the need for the devices or solicit competition.

**Other management issues:** NMB does not have an Inspector General (IG), and oversight by other federal agencies is limited. NMB also has a significant number of pending rail arbitration cases, and it lacks complete data on the types of cases filed to help it address the backlog and the costs.



Source: GAO analysis of NMB documents.

NMB has adapted to challenges presented by large union elections resulting from airline mergers and has implemented improvements such as online voting. In 2010, NMB changed its rules for determining a majority in union elections. While this process caused disagreement among some stakeholders, NMB data suggest that the percentage of elections in which a union was certified has, thus far, remained relatively constant in the years before and after the rule change.