

*The Air Force Alternative Dispute
Resolution Program
2005*



*Report to the
Secretary of the Air Force on the
Air Force Alternative Dispute Resolution
Program*



*Prepared by
The Air Force ADR Program, SAF/GCD
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The Air Force Alternative Dispute Resolution (“ADR”) Program is mandated by the Administrative Dispute Resolution Act (“ADRA”) of 1996. Air Force policy with respect to the program is set forth in Air Force Policy Directive 51-12 (January 2003).

Introduction and Executive Summary

In FY 2005, the Air Force ADR Program took significant steps to advance initiatives that support the philosophy and strategic direction of Air Force Smart Operations for the 21st Century (AFSO21) and the DOD Quadrennial Defense Review (QDR). For over a decade, ADR processes have consistently proven themselves to be faster, less expensive, less divisive, and more flexible at resolving Air Force disputes, thereby freeing up resources for core mission accomplishment. This past year SAF/GCD, at the request of Lt Gen Roger Brady (AF/A1), pioneered the development of the Integrated Conflict Management System (ICMS), which leverages the crosscutting application of dispute resolution and conflict management skills to 1) more effectively prevent, and 2) more efficiently resolve, Air Force disputes.

As part of the ICMS initiative, SAF/GCD launched an integrated training effort to prepare Air Force supervisors to effectively deal with workplace conflicts that will arise from the implementation of the National Security Personnel System (NSPS). The training has received rave reviews for both its content and perceived impact on supervisor job effectiveness. So far, SAF/GCD has trained 17,000 supervisors at more than 35 bases. That number is expected to increase to between 30,000 and 35,000 supervisors by the end of the classroom phase of the program.

The other essential component of the ICMS is a robust ADR capability to effectively and efficiently resolve those disputes that cannot be prevented. The Air Force's "ADR First" policy continues to improve dispute resolution cycle times and avoid unnecessary dispute resolution costs by shortening and streamlining dispute resolution processes. Specifically:

- Overall, 2,593 civilian workplace disputes were resolved using Early Resolution techniques, with an average processing time of 27 days. For comparison, the average processing time for resolving all EEO complaints in FY 05 was 326 days.
- Contract disputes continue to be resolved by ADR in less than half the time required for trial, saving money and avoiding program disruption.
- To further enhance the quality of Air Force ADR services, SAF/GCD initiated the Mediator Certification Program to promote professionalism and proficiency among internal Air Force third-party neutrals.

In August of 2005, the Air Force ADR Program reached agreement with Air University (AU) to establish the Air Force Negotiation Center of Excellence (NCE). NCE curriculum is being developed in collaboration with AU, National Defense University (NDU), and other prestigious institutions to provide world-class education and training for Air Force personnel in interest-based and cross-cultural negotiations that will serve as a foundation for success in joint, interagency, and coalition operations. Negotiation, conflict management, and communication skills are essential to mission success for airmen in many different functional areas, from personnel to acquisition to warfighting. They are essential to achieving the priorities articulated in the QDR: building partner capabilities, finding interagency solutions, and investing in cultural and language skills.

ANNUAL REPORT TO THE SECRETARY THE AIR FORCE ADR PROGRAM

In 2005, SAF/GCD launched a program to combine individual conflict management skills with effective ADR processes to form a comprehensive Integrated Conflict Management System (ICMS). The ICMS leverages Air Force dispute resolution and conflict management skills and resources to effectively manage conflict by avoiding disputes wherever possible, and by efficiently resolving disputes that cannot be avoided. As part of the ICMS, SAF/GCD planned and carried out a massive training effort in anticipation of deployment of the National Security Personnel System (NSPS). This training is not only critical to successful implementation of the NSPS; it also plays an important role in Lean initiatives and Air Force Smart Operations (AFSO) 21. In August 2005, as part of the ICMS, SAF/GCD stood up the Air Force Negotiation Center of Excellence in partnership with Air University. We address these areas in more detail below.

A. Working with AF/A1, Developed and Delivered the Interactive Supervisory Skills Course for All Air Force Supervisors of Civilian Employees in Preparation for NSPS Deployment.

On 5 January 2005, Lt Gen Roger Brady, AF/DP (now A1), officially requested SAF/GCD to expand its ADR program to include an ICMS component in support of AF/A1's efforts to implement NSPS (Attachment 1). ICMS combines (1) effective, efficient dispute resolution techniques that are the hallmark of alternative dispute resolution with (2) the enhanced ability of Air Force management across the spectrum to effectively manage workplace conflicts at the earliest possible opportunity and at the lowest organizational level. These two aspects of ICMS, working together, offer the greatest promise that workplace conflicts will not detract from mission accomplishment. To make this happen, SAF/GCD agreed to undertake the mandatory NSPS "soft skills" training for Air Force supervisors.

The requirements document for deployment of NSPS requires training of the DoD workforce in both "soft skills" (i.e., communication, feedback and coaching skills, and change management), and NSPS fundamentals (i.e., new labor-management, human resources, performance management, and pay pool systems) prior to conversion of the DoD civilian workforce to NSPS. To meet the tasking directed by AF/A1 to provide soft skills training to Air Force supervisors scheduled to convert to NSPS, SAF/GCD: 1) developed a one-day (8 training hours) program consisting of a combination of lectures, video presentations, and interactive exercises based on an interest-based problem solving model; and 2) engaged the services of contract trainers to present the program in a classroom setting to over 35,000 civilian and military supervisors, covering all three spirals of the planned NSPS deployment between FY 05 and FY 08. We have worked with a number of offices to ensure this training is consistent with the AF Force Development Construct, including Air Force Senior Leader Management Office (AFSLMO), Air Force NSPS Program Office (AF/A1X-N), and Deputy Chief of Staff, Manpower and Personnel (AF/A1).

During the course of 2005, all Spiral 1.1 bases were trained and significant progress was made training supervisors at Spiral 1.2 bases. From the initiation of training in April 2005 through December 2005, SAF/GCD contract trainers conducted over 500 separate classes at 40 Spiral 1.1 and 1.2 locations, training over 16,000 Air Force military and civilian supervisors of

civilian personnel. Training at all nine of the original Spiral 1.1 locations was completed in August 2005. Training at the 30 Spiral 1.2 locations began in September 2005, and was completed at the end of April 2006. SAF/GCD is working with Spiral 1.3 locations and their parent MAJCOMs to schedule training at those locations. Subject to available funding, we anticipate Spiral 1.3 training to begin in the third quarter of FY 06.

SAF/GCD is using a web-based course evaluation system through a contract with Knowledge Advisors. Their course evaluation system, Metrics that Matter (MTM), tracks student responses to four general aspects of the training: courseware (i.e., course curriculum and training materials), environment (i.e., quality of the training facilities), instructors, and perceived impact of the training on the student's job duties and professional development. Ratings on these four aspects, plus an overall rating, are given on a 7-point scale, with 1 being the lowest and 7 being the highest. In addition, students can supply specific comments regarding the training.

Through December 2005, a total of 3,574 evaluations were submitted through the MTM website. The training has received an average overall rating of 6.17 on a 7-point scale. This breaks down as follows:

Courseware: Average 6.16 on 7-point scale
Environment: Average 5.88 on a 7-point scale
Instructors: Average 6.43 on a 7-point scale
Impact: Average 6.02 on a 7-point scale

These averages indicate that the training is being well received. The two constants over which SAF/GCD has the most control, the courseware and the instructors, produced the highest averages. In fact, over 92% of responding students rated the courseware "5" or better, and 96% rated the instructors "5" or better.

The skill sets and interest-based concepts of the training have many applications in addition to supervisor-employee relationships. For example, after attending the NSPS training at Patrick AFB, the Commander of the Contracting Squadron requested that a special course be conducted for the entire squadron because the problem-solving skills and techniques are extremely useful in working with contractors. (SAF/GCD is working to develop negotiation training for contracting officers in conjunction with the NCE—see p.7.) The portable nature of the problem-solving and communication skills imparted by the NSPS training makes the training a good building block for courses designed to make effective negotiation skills an Air Force corporate capability.

SAF/GCD is utilizing feedback from supervisors and instructors, as well as guidance from the Air Force NSPS Program Office, to constantly refine and improve the substance of the course. As details of the NSPS regulations and implementing issuances become final, we plan to incorporate components of the performance management system into the lecture and interactive activities of the course to help provide Air Force supervisors not only with the tools essential to successful deployment of NSPS, but also with an excellent opportunity for overall professional development.

B. In Partnership with Air University, Stood Up the Air Force Negotiation Center of Excellence.

The Air Force Negotiation Center of Excellence (NCE), a partnership of SAF/GCD and Air University (AU), will build Air Force competence in negotiation and influence skills across functional areas, making it an Air Force corporate capability. Following the signing of the Memorandum of Agreement between SAF/GCD and AU in August 2005 (Attachment 2), the Air Force ADR program dedicated staff and resources to transform the NCE from concept to reality in a very short time.

While the NCE builds on the negotiation and communication skills training that SAF/GCD is providing to supervisors of civilian personnel Air Force-wide, the reach of the NCE's research and programs extends far beyond. Activities are currently underway to develop education and training in interest-based negotiation, cultural awareness, cross-cultural negotiation, and multi-party negotiation skills that will help Air Force officers succeed in joint, inter-agency, coalition, and counter-insurgency operations. Pursuant to the MOA between the Air Force NCE and the National Defense University, the NCE will develop cutting edge training to improve inter-agency collaboration skills federal government-wide, with the goal being better response to complex crises. Activities are also currently underway to provide interest-based negotiation training to the acquisition workforce. These initiatives – and others to come – show that the NCE is playing a vital role in helping to achieve Air Force and DOD strategic imperatives.

1. Air War College Negotiation Course Offerings.

The NCE offered its inaugural three-day course at Air War College (AWC) 5-7 April 2006 to AWC students, and is repeating the course to a select audience at AWC 31 May-2 Jun 06. The course, featuring lectures and exercises in interest-based negotiation, cultural awareness, cross-cultural negotiation, and multi-party negotiation, will be taught by a combination of AWC faculty and outside experts. Based on feedback from students and faculty, the course will be refined and possibly offered again prior to the fall semester. The goal is to have this education integrated into the AWC curriculum by late 2006, and to have variations of it offered at Air Command and Staff College and other AU schools, as well as by distance learning, in the near future. We believe that the Air Force NCE is well ahead of the efforts of the other military departments in this regard.

The value of this learning to the warfighter is recognized most of all by senior leaders who are themselves warriors. Maj Gen Robert Elder, Commandant of AWC, has stated:

More and more, negotiation training is important in the preparation of today's military leadership. Negotiation skills are now a crucial part of the military's skill set.

Brig Gen Robert Holmes, Air Force Director of Security Forces and Force Protection, agrees:

My experience as a wing commander and during Operation Enduring Freedom in the Joint Special Operations Task Force—South has taught me that the ability to negotiate with a wide variety of stakeholders is vital to mission success.

2. Partnerships with Academic Institutions and Experts.

In developing the initial NCE course offerings, SAF/GCD reached out to numerous academic institutions and experts, including the Harvard Program on Negotiation (PON), Georgetown University, Ohio State University (Moritz College of Law), American University, George Mason University, the U.S. Institute of Peace (USIP), and the U.S. Institute for Environmental Conflict Resolution. In addition, SAF/GCD is staying in close contact with the Army, Navy, and Marine Corps to stay abreast of their initiatives in the areas of cultural awareness and language.

Our partnership with Georgetown University has provided us with a convenient forum for meetings and conferences related to the NCE, including a two-day conference of experts in negotiation and cultural awareness held in December of 2005 to assist in developing the initial NCE course offerings. In addition, two members of the Georgetown faculty are currently assisting the NCE in: (1) interviewing current and former students of AWC to determine real-world needs and expectations for negotiation and cultural awareness education; and (2) refining the presentation of the course and helping to develop distance learning.

Our partnership with the Moritz College of Law at Ohio State University has led to an exciting project, overseen by the law school's dean, Nancy Rogers (a nationally recognized expert in conflict resolution), to research and develop a treatise that addresses the use of different negotiating styles. This treatise will gather all the knowledge currently extant on negotiating styles used around the world and provide a resource for AU faculty to use in teaching cross-cultural negotiations. However, it will approach the subject in functional terms, teaching how to recognize what style is being used and how to respond, rather than in "cookbook" terms that attempt to generalize about how someone from a particular region or of a particular ethnicity or religion negotiates. The end result for the student will be a negotiation "toolbox" that will be useful no matter where in the world it is called on.

A number of experts who participated in the course development meetings at Georgetown University helped teach the first course offering at AWC in April 2006. Among the presenters: Dr. Gary Weaver from American University, who will be teaching cultural awareness and who teaches similar courses for the State Department and for the USIP, among many others; Cherie Shanteau from the U.S. Institute for Environmental Conflict Resolution, who will be teaching the unique dynamics of multi-party negotiations; and Dean Nancy Rogers, who will give the students and faculty a preview of the cross-cultural negotiation project.

3. Advancing a Collaborative Culture for the National Security Team.

In June of 2005, the Acting Director of the DoD Office of Force Transformation requested that the Air Force ADR Program enter into a partnership with the Interagency Transformation Education and After Action Review (ITEA) at the National Defense University (NDU). In letters to the Acting Secretary of the Air Force and to the President of NDU, Mr. Terry Pudas stated:

[ITEA] serves as a national focal point for innovation in education, research, and gaming to develop interagency capabilities for planning and response to complex crises. ITEA has identified as critical the need to build negotiation and collaboration skills, thereby

transforming cultures and business practices to better conduct and support complex multi-agency operations. There is an opportunity for the Air Force and the National Defense University to collaborate on this initiative that would build on the [Air Force ADR Program negotiation learning] to develop a common framework for learning negotiation and collaboration skills. This would be an important step in building a culture of consensus within the national security community, and would serve to link an important national security objective with current expertise, resources, and manpower.

Attachment 3. Subsequently, both the Acting Secretary of the Air Force and the President of NDU lent their personal support to the collaboration. The Acting Secretary stated:

The Air Force is proud of its award-winning ADR Program, administered by the Dispute Resolution Division of the General Counsel's office (SAF/GCD), and is pleased that our negotiation training has received favorable recognition from OSD. As you know, the Air Force is providing negotiation training to 35,000 supervisors as part of the Air Force implementation of the National Security Personnel System (NSPS). Therefore, I believe the Air Force has the critical mass and momentum to be able to help DoD and the National Defense University achieve their desired transformational results.

The Air Force is committed to sharing its expertise and resources with other agencies and organizations in furtherance of mission accomplishment. I believe that a working relationship between the Air Force and the National Defense University focused on building interagency negotiation and collaboration skills would be mutually beneficial.

Attachment 4. In response, Lt Gen Michael Dunn, NDU President, recognized the "Air Force's national reputation for excellence in the field of alternative dispute resolution and negotiation," stating:

The work of the Air Force ADR program complements the efforts of our Interagency Transformation, Education, and After Action Review (ITEA) program in particular. ITEA seeks to improve interagency coordination for the planning and response to complex crises. The educational programs that ITEA has conducted for three years underscore the fact that improving dispute resolution and building effective negotiation skills is critical for the enhancement of interagency collaboration. By working together to develop a common approach, the ADR and ITEA programs can capitalize on their respective proficiencies as they tackle this challenge.

We welcome the opportunity to leverage the expertise and resources of the ADR program to incorporate its capabilities into our interagency educational efforts.

Attachment 5. In the last few months, SAF/GCD and ITEA have crafted a memorandum of agreement, which is in the final stages of review, and are moving forward on the development of collaboration skills learning. For instance, representatives of ITEA attended the initial NCE course offering at AWC from 5-7 April 2006, and Air Force ADR program personnel will be working with ITEA to adapt that training to be most effective in the interagency environment. The ITEA Director recently remarked to a well-attended meeting of the inter-agency steering group how excited he was to be working with the Air Force on this program.

4. Negotiation Training for the Acquisition Workforce.

SAF/GCD is working with the Defense Acquisition University (DAU) and with the Air Force Deputy Assistant Secretary for Contracting (SAF/AQC) to develop negotiation education and training for contracting personnel. The course will teach interest-based negotiation skills and techniques, building on the current NSPS training, and will utilize exercises that allow the students to apply those skills to realistic contracting problems. Alongside the basic negotiation skills course, SAF/GCD and SAF/GCQ will be developing a course focused on negotiation of intellectual property rights. This training alone has the potential to save the Air Force tens of millions of dollars a year. That is because contracting personnel who do not really understand this area routinely pay for rights the Air Force does not need and, conversely, do not acquire rights that the Air Force does need to perform maintenance and logistics support without having to enter into expensive sole source contracts.

5. Support to DOD and Air Force Culture and Language Initiatives.

SAF/GCD is working closely with AF/A1D on culture and language, making available its contacts, research, and resources to support A1D's efforts in this area. The Negotiation Center of Excellence has from the very beginning emphasized the importance of cultural awareness and cross-cultural negotiation skills.

C. Achieved Significant Results Through the Use of ADR.

1. Air Force Contract Disputes ADR

Reversing a four-year trend, FY 05 saw an uptick in contractor claims against the Air Force docketed at the Armed Services Board of Contract Appeals (ASBCA). From the end of FY 01 through the end of FY 04, active cases at the ASBCA that were not in awaiting-decision status declined by 44%. At the end of FY 05, the number increased from 59 to 80, an increase of 36%. (Of these, however, only seven were in excess of \$1 million.) Overall ADR resolutions of disputes increased slightly in FY 05 from the FY 04 level.

The Air Force offered ADR in 71% of the docketed cases eligible for ADR in FY 05 (Table One). This is a slight decrease from the FY 04 level, but is not statistically significant, particularly because it does not take into account the increased use of "early involvements" to resolve contract disputes **before** an appeal is docketed. There are only two approved exceptions to the Air Force "ADR First" policy—either a dispositive motion is pending, or an exemption is granted at a senior level for one or more of the reasons enumerated in the Administrative Dispute Resolution Act, 5 U.S.C. § 572(b).

Once ADR is offered, it is significant that more contractors agree to use ADR than reject ADR. As reflected in Table One, this percentage increased markedly in FY05. These statistics reflect that ADR continues to be the Air Force default position.

ADR Offer, Acceptance & Rejection¹

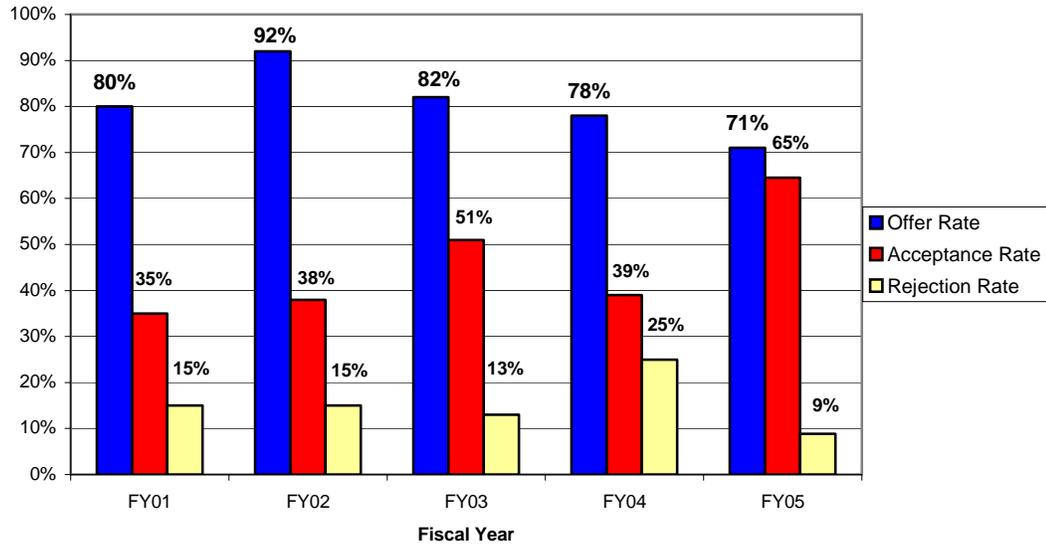


Table One

a. ADR Reduces Resolution Time and Saves Money

ADR takes far less time to resolve disputes than does the formal trial process. The data through FY 05 show that ADR resolves disputes in less than half the time, on average.

**Case Resolution Time Comparison
FY's 2000 - 2005 Docket to Resolution**

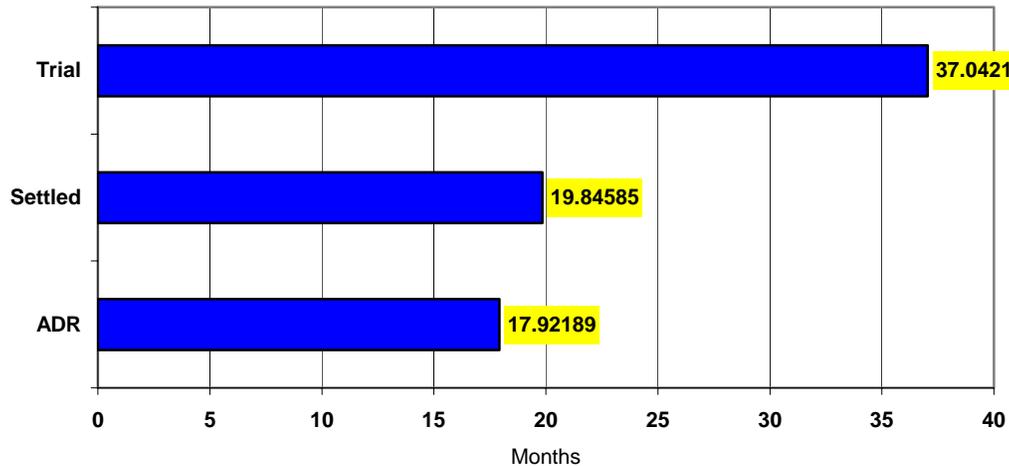


Table Two

Once parties formally agree to use ADR, the time to resolution is, on average, just over eight months (Table Three). This time lengthened slightly in FY 05, reflecting the impact of more complicated and high value disputes being resolved through ADR. By resolving the

¹ Statistics reflect annual average of quarterly snapshots of active cases.

controversy early, ADR can avoid much of the cost of full litigation on the merits, including the government’s liability for interest on contractor claims.

Average Time From ADR Agreement in Principle to Resolution

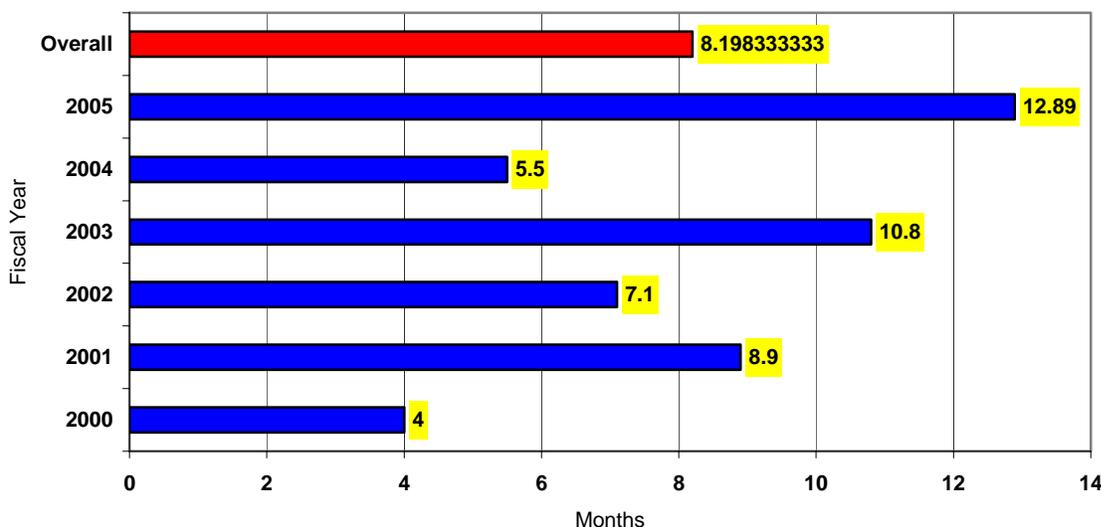


Table Three

Cost savings through the use of ADR are difficult to quantify precisely, but flow primarily from resolving disputes much earlier than has been the case with traditional litigation. This allows the Air Force to save: (1) years of staff and lawyer effort; (2) substantial direct expenses of litigation such as witness fees, travel, and document production and management; and (3) Contract Disputes Act interest on contractor claims. This interest runs from the date a certified claim is submitted to the government, and over an average of four years’ time from that date until formal judgment is rendered, can amount to more than 25% of the original claim amount.

b. Value of Disputes Resolved Through ADR

The Air Force Acquisition ADR Program is now an established and mature program. This year, the total amount claimed by contractors in disputes resolved by ADR was \$26.4 million; the amount paid was \$499,233. ADR helped the Air Force avoid paying a substantial amount - \$25.9 million - in contractor claims, and achieved this result in months rather than years.

SAF/GCD conducts a continuing analysis of data pertaining to contract disputes to ascertain if the use of ADR has any perceptible effect on the ultimate resolution of the dispute. Thus far, the data indicate that ADR is “outcome neutral”—that is, the amount the Air Force pays on contract claims is not increased as a result of using ADR to resolve contract claims. For fiscal years 1994-1999 (before the Air Force “ADR First” policy), the Air Force paid an average 33.97 percent of contractors’ claims. For fiscal years 2000 to 2005 (after the “ADR First” policy), the Air Force paid an average 30.09 percent of contractors’ claims. These results are corroborated by a Department of Justice study that showed that ADR has no effect on the amount paid on claims against the government.

c. Maintained “ADR First” Policy for Resolution of Contract Disputes

Air Force Policy Directive 51-12 encourages the voluntary use of ADR to resolve disputes at the earliest feasible stage, at the lowest possible organizational level, and by the fastest and most cost effective method. AFFARS Part 5333 (revised 5 Feb 2004) encourages the acquisition team to use ADR to the maximum extent practicable to resolve both protests and contract disputes. The AFFARS requires contracting officers to establish ADR agreements for ACAT I and II programs and to consider establishing ADR agreements for other programs. Contracting officers are also required to use ADR to the maximum extent practicable to resolve requests for equitable adjustment, and to seek legal review of proposed final decisions to ensure that opportunities for resolution through ADR are not overlooked.

d. Early Involvement ADR/Directorate of Contract Dispute Resolution

SAF/GCD is working with the Directorate of Contract Dispute Resolution within the Air Force Materiel Command Law Office (AFMCLO/JAB) to increase early resolution of contract disputes through ADR (“early involvement”). The Directorate handles Air Force contract disputes in ADR proceedings and litigation at the Armed Services Board of Contract Appeals (ASBCA). The only other forum for contract disputes is the U.S. Court of Federal Claims (COFC), in which cases are directed by Justice Department attorneys assisted by Air Force Legal Operations Agency (AFLOA) attorneys, and in which opportunities to use ADR are limited. In FY 05, JAB handled 15 early involvements – ADR proceedings initiated before the issuance of a contracting officer’s final decision, and often before the submission of a formal Contract Disputes Act claim. Less than one quarter of these matters ended up moving into the formal disputes process. Increased use of early involvements to resolve contract disputes benefits the Air Force greatly by allowing it to retain control over the outcome, with less disruption to Air Force programs and to the AF’s working relationships with its contractors.

e. Improved Data Collection and Reporting

In FY 05 SAF/GCD, in partnership with the Contract Dispute Resolution Directorate, developed a new database with improved capability to collect relevant ADR program data and to generate useful reports. The new system was brought online for the last quarter of FY 05 and is now operating within the expected performance parameters. The new data capabilities will improve our ability to perform our contract ADR program and policy oversight functions.

2. Air Force Workplace Disputes ADR

Air Force policy is to resolve workplace disputes as early as possible, by the least expensive means feasible, and at the lowest organizational level. To measure progress implementing this policy, AFI 51-1201 requires all major Air Force activities to collect and report periodically to GCD their dispute resolution activities in the following types of workplace disputes: EEO complaints, MSPB appeals, employee grievances (both bargaining unit and non-bargaining unit), ULP allegations, and other, undefined disputes arising in Air Force workplaces.² The four metrics we track are ADR attempt rates, ADR resolution rates, timeliness of ADR processes, and customer satisfaction with ADR (AFI 51-1201, paragraph 38).

² With the exception of Military Equal Opportunity complaints, for which ADR is available at the informal complaint stage, use of ADR in purely military personnel disputes is a matter of command discretion.

ADR in workplace disputes has a specific definition, i.e., a proceeding in which a third-party neutral is appointed and specified parties agree to participate. We have found through years of data collection that this definition is inadequate to fully capture many activities that serve the same purpose (early dispute resolution) and achieve equally favorable outcomes as ADR. In the past, such efforts have either been erroneously reported as ADR, or not reported at all. Therefore, we asked bases to report both their ADR activities and non-ADR Early Resolution activities in the FY 05 reports so that we could better assess the full spectrum of Early Resolution efforts. We have captured this data in what we are calling “Early Resolutions” (ERs). As a result, while traditional ADR activity declined somewhat from its FY 04 levels, overall Early Resolution activity increased, and resolution rates of both methods are comparable.

a. Reporting Mechanism and Methodology

Data collection and reporting for FY 05 was entirely web-based, using a proprietary, password-protected reporting tool developed for GCD for this purpose. All data submitted by reporting activities is saved to a secure web server and immediately available to parent MAJCOMs and SAF/GCD. The reporting tool worked well in its initial deployment, and feedback from the bases on ease of use has been overwhelmingly positive. For the FY 06 report and beyond, GCD is making the tool dynamic to allow bases to periodically report cumulative data during the reporting year, allowing data to be tracked real-time, and further minimizing the administrative burden associated with large end-of-year reports. Deployment of an operational version of the dynamic online reporting tool is expected in summer 2006.

b. Workplace ADR and “Early Resolution” (ER) Attempts and Resolutions

ADR and other ER data reported to GCD for FY 05 is reflected in Attachment 6, showing the total number of workplace disputes, Early Resolution attempts (both ADR and non-ADR), Early Resolutions (ADR and non-ADR), and ADR and other Early Resolution attempt and resolution rates for each MAJCOM and certain Direct Reporting Units. The results are summarized in Table Four.

Early Resolution (ER) Attempt and Resolution Rates in Workplace Disputes, FY 04 - FY05

	FY 2004	FY 2005	% Change
Total Disputes	6660	6216	-7%
Early Resolution (ER) Attempts	2695	3387	+26%
Early Resolutions	1876	2593	+38%
Total ER Attempt Rate	40%	54%	+14%
Total ER Resolution Rate	70%	77%	+7%

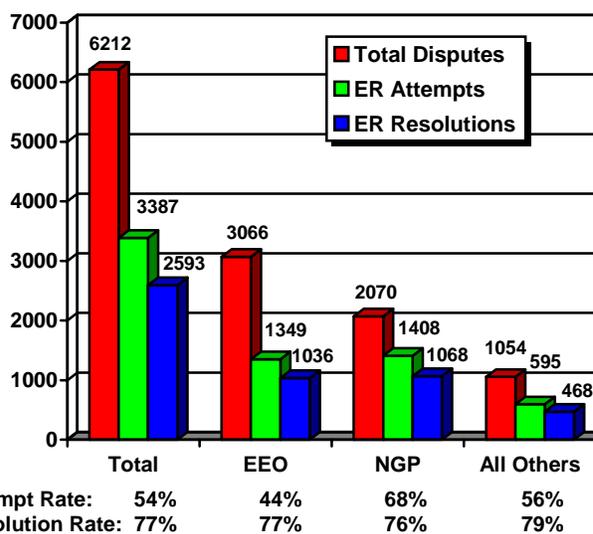
Table Four

As Table Four illustrates, the 6216 total disputes³ recorded in FY 05 were 7% less than FY 04. When we consider both ADR and non-ADR Early Resolution attempts and resolutions,

³ “Total Disputes” includes disputes on hand at the beginning of FY 05 plus those initiated during the year.

we find that FY 05 was a particularly productive year. Of all workplace disputes in FY 05, 54% (3387 out of 6216) were submitted to an Early Resolution process (ADR or non-ADR), and 77% of these disputes (2593) were resolved using those processes. These results compare very favorably to the Air Force goals of using ADR or other facilitative processes in at least 50% of eligible disputes, and resolving at least 70% of those cases. They also compare very favorably to historical Air Force averages for these metrics.

When overall usage rates are broken down into the individual dispute categories, the record for FY 05 is generally positive, particularly for those dispute categories that make up the largest percentage of Air Force workplace disputes. ADR and other Early Resolution efforts were frequently used in EEO complaints and negotiated grievances (NGPs), which collectively accounted for 83% of all workplace disputes in FY 05, and were highly effective in resolving the dispute. As shown in the chart to the right, Early Resolution was attempted in 44% of EEO cases and 68% of NGPs, resolving 77% and 76% of these disputes, respectively. Early Resolution techniques were used in 56% of all other disputes, resolving 79% of them.



Only in the area of MSPB appeals were ADR and other Early Resolution efforts less than optimal: only 27% of all reported MSPB cases involved Early Resolution efforts of any kind (47 of 174), and only 28% (13) were resolved using those efforts. MSPB appeals do not make up a substantial part of the Air Force workplace dispute caseload (less than 3% of the total), but they do have a high potential for protracted litigation, and thus Early Resolution efforts can potentially pay large dividends. Although the MSPB has not been promoting the use of ADR and other collaborative resolution techniques to the same extent as the EEOC, we know that the Board and most administrative judges do favor its use whenever the parties are predisposed to use it, so there is definitely room for improvement here.

c. Workplace ADR Timeliness

AFI 51-1201 specifies a standard of 45 days or less to complete ADR from the point at which the parties agree to use it. Data reported for FY 05 indicate that bases are having little trouble meeting or exceeding the standard. As Table Five indicates, ADR for all cases was completed in an average of 27 days. Average time for informal EEO complaint ADR processing increased from FY 04, to 36 days, but the average for formal EEO complaint ADR processing decreased to 37 days. Overall, processing times for ADR in EEO complaints increased 19% from FY 04 to FY 05, but the average of 36 days was substantially better than the Air Force average of 326 days to close EEO complaints by all methods in FY 05, as reported to the EEOC in the Air Force Statistical Report (EEOC Form 462). Average timeliness for non-EEO cases was 20 days, a slight improvement from FY 04, and the overall average (EEO and non-EEO) was 27 days, the same as FY 04 and well within the metric standard of 45 days.

**ADR Timeliness in Workplace Disputes
FY04 – FY05 (Averages)**

	FY 2004	FY 2005	% Change
Informal EEO	13 days	36 days	+64%
Formal EEO	50 days	37 days	-26%
All EEO	29 days	36 days	+19%
Non-EEO	21 days	20 days	-5%
Average for All Disputes	27 days	27 days	-0-

Table Five

d. Workplace ADR Customer Satisfaction

As a voluntary process, ADR must present a positive experience for all parties to a dispute, regardless of the outcome, to ensure its continued viability as a dispute resolution option. Perceptions of fairness, impartiality, commitment to the parties and their problems, and competency among those assigned to help them work through the issues are crucial to long-term success of any ADR program. With the publication of AFI 51-1201, a new customer service metric was added to gauge the percentage of ADR users who were satisfied with the process and the third-party neutral conducting it. Ratings of the process range from “very satisfied” to “very unsatisfied,” and ratings of the neutral range from “excellent” to “poor.” The goal for the process metric is a rating of “satisfied” or better from at least 80% of the respondents. The goal for the neutral metric is a rating of “good” or better from 80% of the respondents.

**ADR Customer Satisfaction FY05
Air Force Average**

Process	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
	81%	12%	5%	1%	1%
Neutral	Excellent	Good	Average	Fair	Poor
	88%	9%	2%	0%	0%

Table Six

As shown in Table Six, 93% of all ADR users who completed evaluations were “very satisfied” or “satisfied” with the process. This far exceeds the 80% goal for this metric, and shows that a significant majority of ADR users view ADR positively. At the same time, 97% of respondents rated their neutral as “excellent” or “good,” which is significantly higher than the 80% goal for this metric, with almost nine out of ten respondents rating their neutral as excellent. These results demonstrate a process and personnel that Air Force personnel trust and respect.

e. ADR in EEO Complaints: A Closer Look

Each year the Air Force reports its EEO statistical data, including the use of ADR in both the informal and formal stages of the complaint process, to the Equal Employment Opportunity Commission. According to the Air Force's EEO statistical report for FY 05 (EEOC Form 462):⁴

- The Air Force offered ADR in 1050 of the 1477 cases in which informal counseling was done, yielding an offer rate of 71%, an improvement over FY 04. Of those 1050 offers, ADR was accepted by both parties (complainant and management) in 485 cases, for an acceptance rate of 46%, a slight improvement over FY 04.
- Of the 476 ADRs completed at the informal stage in FY 05, 315 resulted in settlement or no formal complaint filed, producing a resolution rate of 66%.
- At the formal stage, the Air Force offered ADR in 342 of the 1264 complaints on hand during FY 05, for an offer rate of 27%, an 8% improvement over FY 04. Of those offers, ADR was accepted by both parties in 196, for an acceptance rate of 57%.
- Of the 209 ADRs completed at the formal stage in FY 05, 165 resulted in settlement or withdrawal of the complaint, for a resolution rate of 79%.

One area that continues to improve is the ADR offer rate in formal complaints. Part of the reason for the increase is the success of the EEO pilot program known as "CORE" (Compressed, Orderly, Rapid, Equitable), which was implemented in 2005 as part of a three-year DoD test program. The pilot is a voluntary alternative to the traditional EEO complaint process, emphasizing mediation as its first step. SAF/GCD is responsible for procuring and funding mediators for CORE complaints. According to the Air Force Civilian Appellate Review Office, 94 complaints were processed using the CORE test program in CY 2005. Mediation was offered in 63 cases (a 67% offer rate) and accepted by the parties in 41 cases (a 65% acceptance rate). Of the 22 cases in which mediation was declined, 19 offers were rejected by the complainant and three were rejected by the agency. Of the 41 complaints that did go to mediation, 25, or 61%, resulted in settlement.

As the Air Force transitions to the National Security Personnel System, we anticipate EEO complaints to increase because of the reduced influence of other external adjudicative boards, such as the MSPB and FLRA, in Air Force workplace disputes. The EEOC has made ADR the cornerstone of its strategic plan, and we expect Early Resolution techniques to play a greater role in resolving the majority of disputes that involve legitimate workplace grievances, even if they do not present meritorious claims of discrimination.

f. Workplace ADR: Return on Investment

Our annual request for ADR data asks bases to quantify the cost savings that result from using ADR or other Early Resolution techniques to resolve workplace disputes instead of traditional, more adversarial processes. A 1998 Air Force Audit Agency study of EEO processes found that resolving complaints early using informal dispute resolution techniques (such as ADR) takes only one-eighth the time and money required to resolve those same complaints in

⁴ Air Force Annual Federal EEO Statistical Report of Discrimination Complaints for FY 2005 (EEOC Form 462), Parts X and XI. Because of differing reporting criteria and definitions, the ADR data the Air Force reports to the EEOC differs from the EEO data reported separately to GCD.

the formal process. Therefore, our goal is to informally resolve as many complaints as possible, as early as possible, using ADR and other Early Resolution techniques.

In non-EEO cases, particularly negotiated grievances, early use of ADR can produce significant cost savings over traditional grievance resolution processes such as arbitration. Arbitration of a grievance typically costs about \$4,000 to 5,000 or more, not including the time of the participants, and can lead to further time- and labor-intensive appeals. By contrast, early mediation efforts entail much lower costs and much less investment of time for the participants, personnel specialists, attorneys, and senior managers. Thus, for example, Tinker AFB OK, a large Air Logistics Center (ALC) with a high volume of negotiated grievances and an active early mediation program, estimates the average cost of a grievance that goes to arbitration at \$4,000, whereas a mediation of that same grievance at Step 1 of the grievance procedure costs an average of \$500. With 69 grievances settled through mediation versus going to arbitration in FY 05, this represents a potential cost avoidance of \$242,000.

Another ALC, Hill AFB UT, reported a cost avoidance of \$697,380 in FY 05 using ADR techniques (including \$644,077 using standard mediation, \$19,403 using peer review panels, and \$33,900 using preventative mediation). These estimates were derived by taking the average number of hours for the negotiated grievance process (as agreed to by management and the union), subtracting the average hours to mediate those cases, and multiplying the difference by a standard hourly rate pay rate for those involved in processing grievances. A third ALC, Robins AFB GA, reported saving an estimated \$384,800 using mediation and other Early Resolution processes in lieu of sending those cases to arbitration.

Clearly, the savings in both fiscal and manpower resources from using ADR instead of traditional processes are greatest at locations with high volumes of such disputes, as demonstrated by the three ALCs (which together make up over half of all Air Force workplace dispute activity). Yet even small installations with low activity can benefit from ADR, because even one complaint that drags on can take resources, productivity, and morale away from mission accomplishment. The savings that result from shorter simplified, “Lean” processes, when extrapolated to the Air Force as a whole, easily amount to millions of dollars.

g. Workplace ADR Awards

In 2005 AFI 36-2869, *General Counsel Awards Program*, was amended to authorize the General Counsel’s ADR Awards for individuals and organizations whose accomplishments significantly advanced the Air Force ADR Program. The 2005 Workplace ADR award winners were:

- Small Organization Award: Space and Missile Systems Center, Los Angeles AFB;
- Large Organization Award: Oklahoma City Air Logistics Center, Tinker AFB; and
- Individual Achievement Award: Sandra A. McGruder, Air Force Human Resource Management School, Maxwell AFB.

The General Counsel presented the awards personally at the Air Force Worldwide ADR Champion Training Conference in San Antonio on 1 December 2005.

3. Mediator Certification Program

To improve the quality of Air Force collateral duty mediators, and to ensure a mediator corps with a sufficient mix of skills, knowledge, and experience to effectively mediate any Air Force workplace dispute regardless of complexity or visibility, SAF/GCD launched a voluntary, four-level certification program in 2005. The four levels of proficiency range from basic, for new mediators just coming off their basic course and initial on-the-job training; to intermediate, for journeymen mediators; to advanced, for highly skilled and experienced mediators; to master, for those who have demonstrated the ability to mediate any dispute with skill and aplomb. Thus far, several Air Force mediators have applied for certification, from the first level to the highest. Although certification is voluntary, within a year of implementation SAF/GCD will restrict travel and instructional activities using ADR Program funds to those mediators who have achieved Level 2 (intermediate) certification or higher.

D. ADR Program Outreach Efforts.

- The ADR Program provides resources in support of **Air Force Corporate Counsel Day**, an event that fosters communication and cooperative problem solving between defense industry corporate counsel and Air Force lawyers. The event is an excellent opportunity to get unvarnished feedback from industry on our ADR policy and to provide industry with the latest lessons learned from our program.
- The **Federal Government's Inter-Agency ADR Working Group** was formed to coordinate, promote, and facilitate the effective use of ADR in the government, pursuant to the [Administrative Dispute Resolution Act of 1996](#) and a [White House Presidential Memorandum](#). The Air Force is a member of the Steering Committee and participates in preparing documents and training programs related to issues that cut across agency boundaries, such as ethical standards. Three major projects of the ADR Working Group in 2005 to which SAF/GCD contributed were guides for standards of conduct for neutrals, confidentiality requirements in federal ADR proceedings, and standards for federal agency ombuds.
- The Secretary of Defense established the **DOD ADR Coordinating Committee** pursuant to DOD Directive 5145.5. The ADR Committee holds periodic meetings attended by the heads of the ADR programs from the military departments and components. SAF/GCD is an active participant in these DoD-level meetings.
- The **Air Force ADR Program website** is the centerpiece of our efforts to ensure Air Force personnel, contractors, union officials, and the public have timely access to ADR information. Located at <http://www.adr.af.mil>, this site provides information about Air Force initiatives to use ADR techniques to resolve a wide range of disputes. The Air Force website is a popular source of information for users both inside and outside the government. In FY 05 we initiated planning to make the Air Force ADR Website the first HAF website to participate in the AFNEWS migration of all Air Force public websites.

E. Promoted More Systematic Use of ADR in Environmental and Land Use Controversies and in Housing Privatization.

SAF/GCD has engaged on numerous fronts to help develop a systematic approach to the Air Force’s use of ADR to resolve environmental disputes. We participated in the planning for the 2005 Environmental Conflict Resolution Conference, and are collaborating with SAF/GCN on the use of ADR to resolve environmental and land use issues arising from base closures. We worked with SAF/GCN, JACE, JAV, and JAB to facilitate an ADR resolution of an Air Force claim for contractor contribution to CERCLA clean-up costs at an Air Force plant. In addition, we are working with SAF/GCN and SAF/GCQ to develop effective early dispute resolution procedures for housing privatization leases.

F. Secured Sufficient Resources to Meet Our Mission.

Air Force Policy Directive 51-12 makes SAF/GCD responsible for: (1) submitting, managing, and executing the Air Force ADR Program budget; and (2) supporting the development and implementation of initiatives consistent with the goals set forth in AFPD 51-12. As Table Seven below demonstrates, SAF/GCD has secured sufficient funding in the Air Force POM to pay for ADR-related case support, training, travel, and neutral services, as well as its commitment to the Air Force Negotiation Center of Excellence, in FY 06. At this time, SAF/GCD’s funding for FY 07 and beyond is not sufficient to pay for most of the NSPS supervisor training, and so we expect that initiative to be paid for primarily by central training funds.

**Current Funding Profile for the Air Force ADR Program
(Figures In Millions of Dollars)**

	FY 06	FY 07	FY 08	FY 09	FY 10
SAF/GCD ADR Element	1,193	1,289	1,487	1,567	1,630

Table Seven

We spent the vast majority of our FY 05 funding in support of the Air Force ICMS and the NSPS supervisor negotiation and communication training, as Table Eight shows. We continued our support of the Air Force ADR Program through direct case support and training.

**FY 05 ADR Program Total Spending
SAF/GCD FY 05 Expenditures**

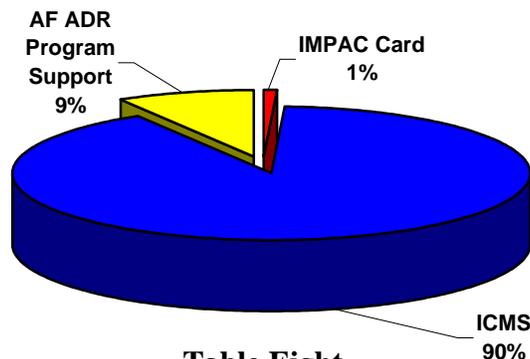


Table Eight

G. ADR Program Training: Providing Targeted Training.

As a key part of our mission, the ADR Program Office offers a range of training designed to suit Air Force needs.

1. Worldwide ADR Champion Training Conference

On 30 November and 1 December 2005, SAF/GCD presented the first-ever Worldwide ADR Champion Training Conference in San Antonio, bringing together 150 ADR Champions and practitioners from every base and Major Command in the Air Force, worldwide. The purpose of the conference was to acquaint new ADR Champions with the Air Force ADR Program for Workplace Disputes and their roles and responsibilities under AFI 51-1201 in developing and implementing ADR programs at their respective bases and MAJCOMs. HQ AETC/DP and the Lackland AFB ADR Program Office provided outstanding conference support. The two-day conference was highlighted by the presentation of the 2005 ADR Awards for Workplace Disputes by the Air Force General Counsel, Mary L. Walker. By all accounts, the conference was a rousing success.

2. Civilian Workplace Mediation Training

a. Mediation Skills Training

The Air Force Human Resource Management School has a fully accredited four-day basic mediation skills training course to train Air Force personnel to be collateral duty mediators. In addition to the in-residence course at Maxwell AFB in Montgomery, AL, the school, in cooperation with SAF/GCD, sends the course on the road periodically to conduct MAJCOM or location-specific mediation training. SAF/GCD provides one of the course's instructors (our Director of Workplace Disputes ADR Programs), fully underwrites at least one "road show" course per year, and finances the instructor support for others. In 2005, four basic mediation courses were conducted, two in residence at Maxwell AFB and two road shows at Bolling AFB and Wright-Patterson AFB OH. These courses trained approximately 120 new Air Force mediators in the Air Force mediation model.

b. Mediation Refresher Training

With the publication of AFI 51-1201, a minimum of eight hours mediation refresher training per year is now mandatory for all Air Force active mediators. SAF/GCD has partnered with the Air Force Human Resource Management School, which manages all Air Force mediation training, to create a modular eight-hour refresher training program that can be packaged for presentation by base ADR Champions or delivered by experienced mediation instructors. The use of individual one-hour training modules provides flexibility and keeps training fresh from year to year. Modules on ethics (standards of conduct) and settlement agreement writing are mandatory and must be included in each eight-hour refresher training session.

3. Negotiation and Appropriate Dispute Resolution Course (NADRC)

Every year SAF/GCD, in conjunction with the Air Force JAG School, funds and conducts the Negotiation and Alternative Dispute Resolution Course at the JAG School. The five-day course trains Air Force judge advocates and civilian attorneys in interest-based negotiation and ADR techniques. The 2005 course, originally scheduled for August, was cancelled due to budget constraints. The 2006 course was presented 22-26 May at the JAG School to 40 military and civilian Air Force and Army attorneys.

H. Air Force Recruiting (Co-op Program).

For the last four years, the Air Force ADR Program office has relied extensively on graduate degree students – principally in MBA and International Affairs programs – for day-to-day program support and special projects in the office. These highly talented and motivated individuals work on matters such as the Air Force Negotiation Center of Excellence, SAF/GC budget issues, and workplace ADR, among many others. The Co-op program not only serves the ADR Program, but also provides a source of outstanding candidates for Air Force career civilian service. This year, we placed a record number of candidates (5) in permanent Air Force employment. However, funding for the co-op program was cut in FY 06, and as of the date of this report it is unclear whether Co-op support will be available to the Air Force ADR Program going forward.

I. Challenges: Positioning the Program to Adopt to Dramatic Changes in Air Force Budgets and Programs.

1. Challenges in the Workplace ADR Program

NSPS implementation beginning in April 2006 will present twin challenges to SAF/GCD: (1) providing negotiation and communication skills training to all affected supervisors in advance of Spiral deployment; and (2) ramping up ADR services in anticipation of employee workplace disputes. This second challenge may be intensified with the new round of proposed base closures and realignments announced in 2005. In the meantime, SAF/GCD must ensure that support and enthusiasm for ADR remains strong at MAJCOMs and individual bases. Given the profile of NSPS and BRAC, for example, it is easy for dispute resolution to fall below the radar. Moreover, as a mature program in workplace disputes, ADR is vulnerable to a sense of complacency by managers and employees alike, so our challenge is to counteract that complacency.

An additional challenge is the quality of those who serve as third-party neutrals in Air Force workplace dispute mediations. By design and necessity, the Air Force must rely principally on internal collateral duty mediators (i.e., Air Force employees who serve as mediators as an additional duty) to mediate the bulk of our workplace disputes. There is a wide disparity in the quality and experience levels of Air Force collateral duty mediators, and SAF/GCD is taking measures to correct that imbalance. The voluntary mediator certification program that was approved and implemented in 2005 will help create a corps of highly qualified, experienced mediators who are available for virtually all Air Force mediations. This should

significantly enhance the basic quality of the Air Force mediator corps and the value of mediation to its users.

2. Challenges in the Acquisition ADR Program

We face a period of program reviews and budget cuts and realignments that we believe are likely to lead to more contract disputes. We expect significant reductions/realignments of major weapon system programs in FY 06 that may include large-scale terminations. The review of the roles and missions of the Military Departments pursuant to the Quadrennial Defense Review (QDR) is likely to generate still more changes to weapon system procurement programs. We believe that the combination of the foregoing factors is likely to increase (perhaps significantly) the contract disputes activity of the Air Force.

Within this context, we believe the major challenge for contract dispute resolution is to shift from reactive use of ADR to early involvement in contract disputes. Although reactive use of ADR, which does not attempt to resolve the dispute through ADR until a claim has been denied and appealed to the ASBCA, is substantially better than formal litigation, it will not achieve the full potential of ADR to save time and money. The reactive approach limits the benefits of ADR by allowing the parties' positions to harden and by failing to cut off CDA-interest liability and time-consuming litigation procedures. Future efforts must focus on identifying disputes early, quickly involving the ADR specialists at AFMCLO/JAB, and implementing the ADR agreement early before the dispute gets bogged down in the formal litigation process. Moreover, addressing disputes even earlier – at the initial negotiation stages through skilled negotiation techniques – will allow the Air Force to better manage disputes at all stages.

Conclusion: The ADR Program Had a Very Productive Year.

The Air Force ADR Program made significant contributions in FY 05 to important strategic objectives by advancing the ICMS and establishing the Air Force Negotiation Center of Excellence. In addition, steady gains were made in both workplace and acquisition ADR. SAF/GCD and the Air Force ADR Program are committed to being at the leading edge of Air Force transformation initiatives.

ATTACHMENT 1



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON DC

06 JAN 2004

MEMORANDUM FOR SAF/GC

FROM: AF/DP

SUBJECT: Request for Assistance from SAF/GCD in Implementing the National Security Personnel System

My office is responsible for implementation of the National Security Personnel System (NSPS). To succeed in this effort, the Air Force needs a robust alternative dispute resolution (ADR) capability to help resolve workplace disputes and an Integrated Conflict Management System to prevent, or at least manage, workplace conflict. I am requesting your long-term commitment to provide these services to our office.

To support the deployment of NSPS, we need a systematic conflict management system that focuses on prevention, management and early resolution. SAF/GCD worked with the AF NSPS Program Office to develop outstanding supervisor training that provides negotiation skills training consistent with the Air Force's Enduring Competencies, including the skills needed to have the difficult conversations required by a performance-based personnel system. To support NSPS, we need to reinforce use of these skills through development of a knowledge management system and a support structure. In short, we need to expand our ADR capability into an Integrated Conflict Management System (ICMS).

I understand SAF/GCD has the funding and manpower to support these efforts. Accordingly, I request that SAF/GCD continue to enhance the effectiveness and efficiency of the Air Force ADR Program and develop an ICMS (including large-scale training, a knowledge management system, and associated support structures) in support of NSPS. My staff is ready to assist as needed.

A handwritten signature in black ink, appearing to read "Roger A. Brady".

ROGER A. BRADY
Lieutenant General, USAF
Deputy Chief of Staff, Personnel

cc:
SAF/MR
SAF/FM
SAF/AA
SAF/GCD

ATTACHMENT 2

MEMORANDUM OF AGREEMENT

This agreement is entered into between the Office of the Air Force General Counsel, Dispute Resolution Division (SAF/GCD), and the Air Force Air University (AU), to provide for the establishment, funding, staffing, and ongoing operations of the Air Force Negotiation Center of Excellence (NCE).

PREAMBLE

Air University is the premier provider of Air Force professional development, leadership, and management education and training. The Dispute Resolution Division of the Air Force General Counsel's office, a recognized leader in the fields of negotiation, dispute resolution, and conflict management, has been charged with making negotiation and conflict management an Air Force corporate capability. AU and SAF/GCD together intend to create a Negotiation Center of Excellence that will make effective negotiations an Air Force capability and thus contribute significantly to accomplishment of the Air Force mission. Therefore, AU and SAF/GCD agree as follows:

I. THE NEGOTIATION CENTER OF EXCELLENCE.

The NCE will establish and maintain effective negotiation skills as a corporate Air Force capability by doing the following:

- Coordinate and deliver Air Force negotiation training. The NCE will deliver negotiation training consistent with the SAF/GCD negotiation model and ensure that Air Force negotiation instruction provided by other components or contractors is consistent with the SAF/GCD model.
- Support deployment and integration of the Air Force negotiation model Air Force-wide. Support the application of the SAF/GCD negotiation model to substantive areas (such as DP and AQ) and to interagency working groups to enhance the negotiation capabilities of Air Force personnel.
- Develop and sustain an Air Force negotiation infrastructure to transform individual negotiations into a business process and a corporate Air Force capability.

II. ROLES AND RESPONSIBILITIES OF SAF/GCD AND AU.

SAF/GC and AU will partner closely on all aspects of the development, integration, synchronization and marketing of the NCE (details in Attachment A). AU will have primary responsibility for the sustainment of the NCE. The parties agree to coordinate their efforts and, to the maximum extent practicable, employ a consensus approach to the sustainment of the NCE.

PROJECT SCHEDULE (ATTACHMENT A)

ACTIVITY _____ DATE

Establishment of the NCE and Outreach

- Assembling the team (create positions, budgeting, funding, and hiring to staff and support NCE)
- Entering into alliances and partnerships
(e.g., Harvard University, Pepperdine University, Ohio State University, University of Missouri, Defense Acquisition University, selected Coalition allies)
- Refining the SAF/GCD Negotiation Model
- Targeting areas with strategic level or high value negotiations to which to apply the negotiation model on a systematic basis
- Agree on the sequence for deployment of the negotiation model
- Develop and refine E-tools, E-learning, and knowledge management systems to support NCE
- Develop and deploy communication plan to market NCE (to include articles explaining the vision, mission, and planned activities of the NCE)

Integrate Negotiation Training into All AF Professional Development

- Professional military education courses (such as Officer Training School, Air and Space Basic Course, and Wing Commander courses)
- Civilian professional development courses
- Specialized continuing education courses
- Defense Acquisition University courses

Synchronize NCE Capabilities with Other AF and DOD Initiatives

- These efforts would include, but not be limited to, the following areas:
- National Security Personnel System
 - Acquisition, Technology, and Logistics matters
 - Bi-lingual, bi-cultural DOD initiative
 - Interagency task force challenges
 - Stability operations
 - Air Force operations (including deployment)

Sustainment of the NCE

- AF-wide negotiation training and continuous improvement of our negotiation model and e-tools for negotiations
- Regular coordination meetings
- Budget and fund ongoing operations of NCE

A. Role and Responsibilities of SAF/GCD.

1. SAF/GCD will make NCE a top priority and dedicate personnel as required and desirable to help NCE become a reality and to support NCE on an ongoing basis.
2. SAF/GCD will assist AU in forging partnerships with programs and organizations such as the Harvard Program on Negotiation ("PON").
3. SAF/GCD will seek budget authority and provide such funding as is available for initial establishment and ongoing operation of the NCE.
4. SAF/GCD will assist AU in synchronizing NCE capabilities with AF and DOD initiatives such as the National Security Personnel System (NSPS) and Force Development, and in identifying new areas into which negotiation training should be deployed.

B. AU Role and Responsibilities.

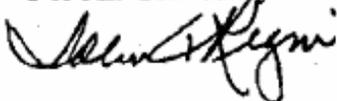
1. AU will fund one or more adjunct faculty to staff the NCE and will also dedicate one or more manpower authorizations to the NCE.
2. AU will budget for and fund the operations of the NCE, including in-residence training courses.
3. AU will take the lead on integrating negotiation training into all AF professional development education and training.
4. AU will support the synchronization of NCE capabilities with other AF and DOD initiatives.
5. AU will be responsible for providing office space, classrooms, computers, and student billeting for the NCE.

III. PROJECT SCHEDULE.

The parties will meet as soon as possible to work out the details of a joint project schedule with milestone dates. [See last page for a draft]

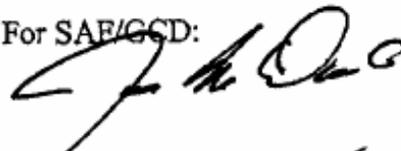
WHEREFORE, the parties have indicated their agreement by the signatures of their authorized representatives below.

For Air University:



Date: 11 AUG 2005

For SAF/GCD:



Date: 11 Aug 2005

ATTACHMENT 3



OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

FORCE TRANSFORMATION
OFFICE

June 9, 2005

MEMORANDUM FOR THE HONORABLE MICHAEL L. DOMINGUEZ
ACTING SECRETARY OF THE AIR FORCE

Mike,

SUBJECT: Advancing a Collaborative Culture for the National Security Team

We have become aware of a major learning initiative being deployed by the Air Force Alternative Dispute Resolution Program (ADRP) and we believe this learning opportunity can be leveraged to advance skills needed in the interagency arena. This ADRP opportunity provides a simple and powerful model for organizing thinking about negotiations and for sharing results. This program will enable USAF personnel to better understand, prepare, conduct and evaluate negotiations of all types.

The Interagency Transformation Education and After Action Review (ITEA) at the National Defense University serves as a national focal point for innovation in education, research, and gaming to develop interagency capabilities for planning and response to complex crises. ITEA has identified as critical the need to build negotiation and collaboration skills, thereby transforming cultures and business practices to better conduct and support complex multi-agency operations. There is an opportunity for the Air Force and the National Defense University to collaborate on this initiative that would build on the ADRP opportunity to develop a common framework for learning negotiation and collaboration skills. This would be an important step in building a culture of consensus within the national security community, and would serve to link an important national security objective with current expertise, resources, and manpower.

I request that you consider lending your personal support to this collaboration, recognizing it as a needed effort to advance a new and broader national security culture. I have sent a similar letter to Lieutenant General Michael M. Dunn, President of the National Defense University.

A handwritten signature in black ink, appearing to read "T. J. Pudas", written over a horizontal line.

T. J. Pudas
Acting Director, Force Transformation

ATTACHMENT 4



SECRETARY OF THE AIR FORCE
WASHINGTON

06 SEP 2005

MEMORANDUM FOR LT GENERAL MICHAEL M. DUNN
PRESIDENT, NATIONAL DEFENSE UNIVERSITY

SUBJECT: Advancing a Collaborative Culture for the National Security Team

The Office of the Secretary of Defense, Force Transformation Office, has expressed interest in the Air Force partnering with the National Defense University to advance interagency capabilities for planning and response to complex crises. In particular, the OSD Force Transformation Office believes that negotiation skills training currently being conducted by the Air Force Alternative Dispute Resolution (ADR) Program has much to offer as a building block in developing a common framework for learning negotiation and collaboration skills needed in the interagency arena.

The Air Force is proud of its award-winning ADR Program, managed by the Dispute Resolution Division of the Air Force General Counsel's office (SAF/GCD), and is pleased that our negotiation training has received favorable recognition from OSD. As you know, the Air Force is providing negotiation training to 35,000 supervisors as part of the Air Force implementation of the National Security Personnel System (NSPS). Therefore, I believe the Air Force has the critical mass and momentum to be able to help DOD and the National Defense University achieve their desired transformational results.

The Air Force is committed to sharing its expertise and resources with other agencies and organizations in furtherance of mission accomplishment. I believe that a working relationship between the Air Force and the National Defense University focused on building interagency negotiation and collaboration skills would be mutually beneficial. I have requested that the General Counsel of the Air Force, Mary Walker, work with your staff to map out the way ahead and to report back to me in 60 days.


Pete Geren
Acting Secretary of the Air Force

ATTACHMENT 5



DEPARTMENT OF DEFENSE
NATIONAL DEFENSE UNIVERSITY
WASHINGTON, D.C. 20319-5006

24 October 2005

REPLY TO
ATTENTION OF:

Office of the President

MEMORANDUM FOR Honorable Pete Geren, ~~Acting Secretary of the Air Force~~ ^{SIR}

SUBJECT: National Defense University Partnership with the Air Force Alternative Dispute Resolution Program

In reference to your memorandum dated 6 September 2005 (Advancing a Collaborative Culture for the National Security Team), we appreciate the Air Force's offer to share its expertise and resources with the National Defense University (NDU) educational programs to advance common objectives. We recognize the Air Force's national reputation for excellence in the field of alternative dispute resolution and negotiation, and agree that a partnership between NDU and the Air Force Alternative Dispute Resolution (ADR) Program would be mutually beneficial.

The work of the ADR program complements the efforts of our Interagency Transformation, Education, and After Action Review (ITEA) program in particular. ITEA seeks to improve interagency coordination for the planning and response to complex crisis. The educational programs that ITEA has conducted for three years underscore the fact that improving dispute resolution and building effective negotiation skills is critical for the enhancement of interagency collaboration. By working together to develop a common approach, the ADR and ITEA programs can capitalize on their respective proficiencies as they tackle this challenge.

We welcome the opportunity to leverage the expertise and resources of the ADR program to incorporate its capabilities into our interagency educational efforts. With this support, we can provide an interagency module tailored for the USAF supervisors that the ADR program targets. I have directed my staff to move forward via a Memorandum of Agreement between NDU-ITEA and the Air Force. My point of contact for this initiative is the Director of the ITEA program, Professor L. Erik Kjonnerod. He will work with your General Counsel on the details of this partnership.

Very Respectfully,

A handwritten signature in black ink that reads "Mike D" followed by a horizontal line.

MICHAEL M. DUNN
Lieutenant General, U.S. Air Force
President

ATTACHMENT 6
AIR FORCE WORKPLACE DISPUTE ADR AND EARLY RESOLUTION DATA
FY 04 – FY 05

	ULP			EEO			MSPB			AGS			NGP			OTHER			TOTAL		
	04	05	Change	04	05	Change	04	05	Change	04	05	Change	04	05	Change	04	05	Change	04	05	Change
11th WG/AFDW																					
Disputes Pending	0	0	0%	29	0	-100%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	29	0	-100%
Disputes Filed	0	0	0%	31	0	-100%	0	0	0%	0	2	100%	0	0	0%	0	0	0%	31	2	-94%
Non-ADR IBN Attempts	0	0	0%	4	0	-100%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	4	0	-100%
Non-ADR IBN Resolution	0	0	0%	3	0	-100%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	3	0	-100%
ADR Attempts	0	0	0%	10	0	-100%	0	0	0%	0	2	100%	0	0	0%	0	0	0%	10	2	-80%
ADR Resolutions	0	0	0%	8	0	-100%	0	0	0%	0	2	100%	0	0	0%	0	0	0%	8	2	-75%
IBN Attempt Rate	0%	0%	0%	7%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	0%	-100%
IBN Resolution Rate	0%	0%	0%	75%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	75%	0%	-100%
Attempt Rate	0%	0%	0%	17%	0%	-100%	0%	0%	0%	0%	100%	100%	0%	0%	0%	0%	0%	0%	17%	100%	500%
Resolution Rate	0%	0%	0%	80%	0%	-100%	0%	0%	0%	0%	100%	100%	0%	0%	0%	0%	0%	0%	80%	100%	25%
ACC																					
Disputes Pending	4	0	-100%	42	40	-5%	4	0	-100%	2	5	150%	2	1	-50%	0	9	100%	54	55	2%
Disputes Filed	45	34	-24%	150	189	26%	6	2	-67%	16	31	94%	78	58	-26%	6	16	167%	301	330	10%
Non-ADR IBN Attempts	0	0	0%	20	50	150%	0	0	0%	0	1	100%	0	0	0%	0	0	0%	20	51	155%
Non-ADR IBN Resolution	0	0	0%	15	43	187%	0	0	0%	0	1	100%	0	0	0%	0	0	0%	15	44	193%
ADR Attempts	27	2	-93%	39	43	10%	3	0	-100%	6	23	283%	42	2	-95%	8	16	100%	125	86	-31%
ADR Resolutions	11	2	-82%	27	31	15%	1	0	-100%	3	22	633%	23	2	-91%	7	16	129%	72	73	1%
IBN Attempt Rate	0%	0%	0%	10%	22%	110%	0%	0%	0%	0%	3%	100%	0%	0%	0%	0%	0%	0%	6%	13%	135%
IBN Resolution Rate	0%	0%	0%	75%	86%	15%	0%	0%	0%	0%	100%	100%	0%	0%	0%	0%	0%	0%	75%	86%	15%
Attempt Rate	55%	6%	-89%	20%	19%	-8%	30%	0%	-100%	33%	64%	92%	53%	3%	-94%	133%	64%	-52%	35%	22%	-37%
Resolution Rate	41%	100%	145%	69%	72%	4%	33%	0%	-100%	50%	96%	91%	55%	100%	83%	88%	100%	14%	58%	85%	47%
AETC																					
Disputes Pending	0	6	100%	143	69	-52%	2	1	-50%	0	0	0%	0	0	0%	0	0	0%	145	76	-48%
Disputes Filed	38	53	39%	347	329	-5%	22	18	-18%	24	20	-17%	52	55	6%	178	150	-16%	661	625	-5%
Non-ADR IBN Attempts	0	0	0%	82	41	-50%	0	0	0%	0	0	0%	0	0	0%	0	6	100%	82	47	-43%
Non-ADR IBN Resolution	0	0	0%	31	41	32%	0	0	0%	0	0	0%	0	0	0%	0	6	100%	31	47	52%
ADR Attempts	2	13	550%	60	154	157%	15	4	-73%	4	15	275%	15	32	113%	178	94	-47%	274	312	14%
ADR Resolutions	2	6	200%	36	93	158%	8	4	-50%	3	9	200%	8	20	150%	139	94	-32%	196	226	15%
IBN Attempt Rate	0%	0%	0%	17%	10%	-38%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	100%	10%	7%	-34%
IBN Resolution Rate	0%	0%	0%	38%	100%	165%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	38%	100%	165%
Attempt Rate	5%	22%	319%	12%	39%	216%	63%	21%	-66%	17%	75%	350%	29%	58%	102%	100%	63%	-37%	34%	45%	31%
Resolution Rate	100%	46%	-54%	60%	60%	1%	53%	100%	88%	75%	60%	-20%	53%	63%	17%	78%	100%	28%	72%	72%	1%
AFMC																					
Disputes Pending	114	3	-97%	373	298	-20%	2	1	-50%	2	2	0%	94	105	12%	4	3	-25%	589	412	-30%
Disputes Filed	313	168	-46%	1174	1416	21%	155	123	-21%	78	92	18%	1774	1496	-16%	133	135	2%	3627	3430	-5%
Non-ADR IBN Attempts	0	117	100%	56	270	382%	0	28	100%	0	5	100%	0	688	100%	0	0	0%	56	1108	1879%
Non-ADR IBN Resolution	0	77	100%	45	270	500%	0	5	100%	0	1	100%	0	500	100%	0	0	0%	45	853	1796%
ADR Attempts	171	37	-78%	579	595	3%	54	5	-91%	16	32	100%	568	523	-8%	114	95	-17%	1502	1287	-14%
ADR Resolutions	155	34	-78%	412	419	2%	16	1	-94%	11	16	45%	430	390	-9%	101	88	-13%	1125	948	-16%
IBN Attempt Rate	0%	68%	100%	4%	16%	335%	0%	23%	100%	0%	5%	100%	0%	43%	100%	0%	0%	0%	1%	29%	2071%
IBN Resolution Rate	0%	66%	100%	80%	100%	24%	0%	18%	100%	0%	20%	100%	0%	73%	100%	0%	0%	0%	80%	77%	-4%
Attempt Rate	40%	22%	-46%	37%	35%	-7%	34%	4%	-88%	20%	34%	70%	30%	33%	7%	83%	69%	-17%	36%	33%	-6%
Resolution Rate	91%	92%	1%	71%	70%	-1%	30%	20%	-33%	69%	50%	-27%	76%	75%	-1%	89%	93%	5%	75%	74%	-2%
AFRC																					
Disputes Pending	0	0	0%	50	40	-20%	2	0	-100%	1	0	-100%	5	7	40%	0	0	0%	58	47	-19%
Disputes Filed	3	8	167%	97	92	-5%	11	8	-27%	4	5	25%	38	63	66%	0	3	100%	153	179	17%
Non-ADR IBN Attempts	0	0	0%	1	3	200%	0	0	0%	0	0	0%	0	6	100%	0	1	100%	1	10	900%
Non-ADR IBN Resolution	0	0	0%	0	3	100%	0	0	0%	0	0	0%	0	4	100%	0	1	100%	0	8	100%
ADR Attempts	3	0	-100%	27	24	-11%	5	5	0%	0	3	100%	17	3	-82%	0	3	100%	52	38	-27%
ADR Resolutions	3	0	-100%	17	6	-65%	3	0	-100%	0	1	100%	16	1	-94%	0	3	100%	39	11	-72%
IBN Attempt Rate	0%	0%	0%	1%	2%	234%	0%	0%	0%	0%	0%	0%	0%	9%	100%	0%	33%	100%	0%	4%	834%
IBN Resolution Rate	0%	0%	0%	0%	100%	100%	0%	0%	0%	0%	0%	0%	0%	67%	100%	0%	100%	100%	0%	80%	100%
Attempt Rate	100%	0%	-100%	18%	18%	-1%	38%	63%	63%	0%	60%	100%	40%	4%	-89%	0%	100%	100%	25%	17%	-32%
Resolution Rate	100%	0%	-100%	63%	25%	-60%	60%	0%	-100%	0%	33%	100%	94%	33%	-65%	0%	100%	100%	75%	29%	-61%
AFSOC																					
Disputes Pending	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Disputes Filed	0	0	0%	6	0	-100%	0	0	0%	0	0	0%	0	0	0%	0	1	100%	6	0	-100%
Non-ADR IBN Attempts	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Non-ADR IBN Resolution	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
ADR Attempts	0	0	0%	3	0	-100%	0	0	0%	0	0	0%	0	0	0%	0	1	100%	3	0	-100%
ADR Resolutions	0	0	0%	3	0	-100%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	3	0	-100%
IBN Attempt Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
IBN Resolution Rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Attempt Rate	0%	0%	0%	50%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	50%	0%	-100%
Resolution Rate	0%	0%	0%	100%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	-100%
AFSPC																					
Disputes Pending	1	0	-100%	40	97	143%	0	0	0%	3	0	-100%	3	0	-100%	0	0	0%	47	97	106%
Disputes Filed	7	4	-43%	129	190	47%	2	2	0%	7	10	43%	11	9	-18%	0	0	0%	156	215	38%
Non-ADR IBN Attempts	0	0	0%	94	15	-84%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	94	15	-84%
Non-ADR IBN Resolution	0	0	0%	23	12	-48%	0	0	0%	0	0	0%	0	0	0%	0	0	0%	23	12	-48%
ADR Attempts	3	1	-67%	54	34	-37%	0	1	100%	0	3	100%	3	3	0%	0	0	0%	60	42	-30%
ADR Resolutions	0	1	100%	39	27	-31%	0	1	100%	0	3	100%	3	2	-33%	0	0	0%	42	34	-19%
IBN Attempt Rate	0%	0%	0%	56%	5%	-91%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	46%	5%	-90%
IBN Resolution Rate	0%	0%	0%	24%	80%	227%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	24%	80%	227%
Attempt Rate	38%	25%	-33%	32%	12%	-63%	0%	50%	100%	0%	30%	100%	21%	33%	56%	0%	0%	0%	30%	13%	-54%
Resolution Rate	0%	100%	100%	72%</																	

