

NATCA's Rebuttal to the FAA Administrator's *Submission to the United States Congress Concerning the Agency's Collective Bargaining Proposal to the National Air Traffic Controllers Association*

Considering that the FAA Administrator routinely demonstrates her disdain for the role of the United States Congress in setting our national aviation policy, it should come as no surprise that the FAA Administrator's *Submission to the United States Congress Concerning the Agency's Collective Bargaining Proposal to the National Air Traffic Controllers Association* is a collection of revisionist history, misrepresentation, finger pointing and contempt for the role of the Legislative branch. This coming from an Administrator who just last week told a U.S. Senator, during a public hearing, that there was not a list of TRACON's planned for co-location on Tuesday -- by Friday that list was published in Congressional Quarterly. The same FAA told the Chairman of its oversight committee that controllers in New York who were fired were not really fired, even as the FAA processed their final termination papers. Her efforts to exclude Congress from exercising its oversight role even extends to advocating a new funding process that would extract the FAA from the appropriations process, virtually eliminating the system of checks and balances envisioned under the Constitution when the drafters gave Congress the power of the purse. Providing misleading information to Congress has sadly become status quo for this Administrator.

After the FAA rejected NATCA's proposal, declined further bargaining, and ended mediation on Friday, March 31, the FAA issued numerous public statements denying that negotiations had ended and that the parties were still bargaining. It is clear that the FAA was simply buying time to prepare a submission to Congress and launch a sneak attack by sending the submission to the hill just prior to leaving for a two-week district work period. It is important to note that the FAA is not subject to any timeline with regard to making its submission to Congress. There is nothing that requires them to send it within one day, one week, or even a month of ending negotiations. The only other time the FAA chose to take this course of action regarding a bargaining impasse, it was several months after bargaining broke down before the submission. Once it was submitted, the FAA waited a year and a half to impose the proposal.

Throughout this process, the union has worked to meet the stated needs of the administrator. With regard to pay, the major issue in dispute, the union came to the table proposing the status quo, including the government-wide pay raises set by Congress and the SCI which supplanted the step increase. The union was asking to be treated as other government employees. As the talks progressed, NATCA made considerable movement on every pay provision. It offered to eliminate the two highest pay bands in the system, lower the top of all pay bands by 13% and the bottom of the bands by 3%, as well as institute a multi-year freeze in band movement which would allow the FAA to close the gap between controllers and other FAA employees (there is no gap between controllers and FAA managers or supervisors as their pay bands are above the controller pay bands.) The NATCA proposal would have closed the gap by approximately 12% depending on the Administrator's treatment of other pay bands. In contrast, the FAA proposal was to lower pay bands by 30% when bargaining started in July of 2005 and at the end of negotiations in April of 2006. The FAA made no movement on the fundamentals of their pay proposal, with agency counterproposals amounting to little more than editorial changes. It is difficult to characterize the FAA's actions as truly seeking a voluntary agreement when it was unwilling to make any progress on this key issue.

Revisionist History

The FAA submission states, "In 1996, as part of reauthorization, the Agency's statute was amended to bar the Administrator from negotiating with labor unions over compensation and benefits except under limited circumstances..." This odd sentence construction and emphasis on the word "bar" appears intended to lead the reader to believe that the 1996 reauthorization had a new provision to preclude bargaining. In fact, the FAA statute previously restricted the scope of bargaining to subjects that did not include compensation and benefits. The amendments to the statute required bargaining over



these issues by affirmatively stating that “In developing and making changes to the personnel management system...the Administrator **shall negotiate** with the exclusive bargaining representative.” To say that the changes to the statute were to bar the negotiations is as misleading as the Wall Street Journal story claiming that the Fair FAA Dispute Resolution Act of 2006 creates new mediation hurdles, when the act simply restates that provision as it is under current law.

The Administrator has repeatedly asserted that the last controller compensation package was too generous and that the true costs were not accurately represented when the pay system was reclassified in 1996. She continually asserts that it was claimed that the increased payroll would cost \$200 million over 3 years. That is grossly inaccurate. It was clear to all parties involved, and subject to Congressional approval, that the reclassification under the FAA Reform legislation would amount to an increase to payroll of \$200 million per year; however, the amount would be phased in over three years. The Administrator has misrepresented the phase-in of an annual increase as a total increase. It is simple mathematics that the total costs of \$200 million **per year** would increase with each passing year. The Administrator, in her public statements and this congressional submission, attempts to characterize the reclassification as though it amounted to subterfuge on the part of the union and possible collusion on the part of the previous administrator. In fact, it was a reclassification of the work to reflect the current system complexity and volume of traffic. It was also an acknowledgement that the 1970's-era pay system had become antiquated and resulted in considerable pay compression.

In probably the most egregious revision of history, the Administrator's submission characterizes the pay setting of controllers on a facility-wide basis as a significant concession on the agency's part in 1998. Setting pay on a facility-wide basis, rather than area-by-area, is not a new provision; the practice predates the existence of NATCA. The FAA now sees rating facilities by area as a way to create an option to further reduce pay by attempting to apply a facility-wide standard to area-based traffic counts. The FAA argues that traffic volume and complexity may vary on an area-by-area basis. It is the goal of the FAA to equally distribute the traffic within a facility. Traffic imbalances should be corrected through airspace redesign, not disruptive pay practices.

Misrepresentation

“Therefore, as required by law, the FAA is transmitting its proposals, along with NATCA's proposals and objections, to Congress.” This statement, pulled directly from the FAA submission, illustrates the FAA Administrator's willingness to interpret the law to fit her purposes. The law states, “the Administrator has transmitted the proposed change, along with the objections of the of the exclusive bargaining representatives objections to the change, and the reasons for such objections, to Congress.” The Administrator has chosen to determine that “objection” is synonymous with “proposal” and went further to pick and choose selective interpretations of ongoing discussions at the bargaining table as “the union's reasons for such objections.” It is doubtful that the Administrator will accurately characterize the union's objections or reasons as it would likely put the FAA proposal in an unflattering light.

The Administrator's submission characterizes the former contract as carrying a cumulative payroll cost of \$1.8 billion over nearly 8 years (averaging \$240 million per year), but fails to acknowledge that the union proposal, which would save the FAA \$1.4 billion over 5 years (averaging \$280 million), is a very favorable concession if the Administrator's goal is to offset the gains made in the previous agreement.

Throughout the submission, the FAA asserts a need for a market-oriented pay system, yet at no time during the negotiations was the FAA willing to produce a market study or identify the jobs to which they were comparing the controllers for the purpose of a market analysis. It is clear that the FAA proposal, setting pay rates behind where they would have been had a new pay system never been negotiated, is designed to be punitive. The Administrator's disdain for the profession is pervasive in the submission.



The submission states, “controller labor costs per flight steadily rose from \$83 to \$131 by 2005.” While the statistic appears relevant, it seems in stark contrast to the recent briefing by Russ Chew to OMB and Congress that touted the fact that controller productivity is increasing and costs per flight are declining. The FAA relies heavily on averages that mask a great deal of information. The FAA engaged in a virtual hiring freeze from 1992 until 2004, resulting in a very senior workforce which tends to be closer to the top of the pay scales than newer employees. In 1998, when the last agreement was reached, the FAA had a large number of controllers who had been in the agency for less than 10 years. By 2005, as a consequence of the 1992 freeze, the FAA had very few controllers with less than 10 years of service. The artificial concentration of employees in the second decade of their careers inflates averages.

The submission attempts to distinguish between salary and pay solely for the purpose of defending the assertion that “under our proposal, no controller will take a salary cut.” The FAA is eliminating two critical pay provisions that will amount to a pay cut for the overwhelming majority of controllers. It would be a rare instance that a controller would not take a pay cut under the FAA proposal. It is unreasonable to say that cutting pay is not a pay cut simply because it is not a cut to base or locality pay. The FAA is well aware that its proposals would have significant adverse economic consequences for its employees. Trying to mask those consequences through the use of nomenclature is disingenuous at best. The FAA goes as far as saying that existing controllers will be kept “essentially whole”; however, the FAA is well aware that controllers in small to medium-sized airports that are required to work significant numbers of hours of Controller in Charge duties would lose approximately \$2,500 per year. Controllers at the highest cost of living areas would lose as much as \$14,075 per year.

The submission alleges that controllers’ base salaries are at rates higher than corresponding pay bands for FAA senior managers to create an image that controller pay is greater than their superiors. The FAA fails to even mention that air traffic supervisors and managers are paid at higher rates than the controllers they supervise and that, by statute, no employee can be paid at a rate higher than the Administrator. The union plays no role in setting pay for FAA senior managers. The term “corresponding” is not defined and it is unclear to whom the Administrator is referring. Air traffic controllers are paid less than those who are directly above them in their chain of command. The structure and pay rates of executives in other parts of FAA are not part of the negotiations or the pay system.

In describing its pay proposal, the FAA refers to the pay bands for controllers at the highest level of air traffic facilities. This is a misleading characterization because the normal career progression of an air traffic controller is to start at a lower level facility, certify and work for several years, and then bid to higher level facilities. It is rare for controllers to go directly from the academy to high level towers or TRACON's. It is only in cases where the FAA has failed to plan properly, resulting in a desperate need for personnel, that new hires are assigned directly to the highest paying facilities. In these cases, the FAA has generally seen higher than average rates of training failures. However, by focusing on only the highest pay rates, the FAA is able to paint a more favorable picture of its proposal. If the proposal were as fair as the Administrator asserts, it would not be necessary to play games with the numbers, masking the effects of the proposal on controllers at the majority of FAA facilities.

The FAA states, “The average controller hired in FY 2007 would have a base salary, including locality, of \$84,200 after five years on the job.” It is important to keep in mind that a person with five years on the job is no longer a new hire; however, under the FAA training system the controller would likely be newly certified and at or near the bottom of the pay band. In order for this assertion to be valid, the “average controller hired in 2007” would have to be assigned to an ATC 12 facility, the highest in the country. Currently, only 21 of the over 300 FAA air traffic control facilities are ATC 12. There are 35 facilities at the ATC 11 grade, and 23 are ATC 10. The remaining facilities are ATC 9 and below. It is difficult to imagine that the FAA does not intend to send any new hires to more than 200 airports around the country. The Administrator uses the term average, but is in fact describing the highest level possible in the pay system.



Throughout the document, the Administrator mischaracterizes the annual pay adjustments for controllers, which mirror the rest of government, as “above the civil service average.” This is not the case. While the FAA may concede that the annual presidential pay increase, proposed by the president and adopted by Congress, is the same for controllers, the Agency goes on to characterize the SCI as a pay increase that is above and beyond that enjoyed by other federal employees. The reality of the situation is that the SCI was developed as replacement for the step increases that exist in the general schedule system. The amount of money allocated for longevity-based increases is identical under each plan; however, the method of distribution is slightly different. The FAA states categorically that the current contract provides automatic pay increases above the civil service average when the FAA is well aware that the pay raises allocated to controllers are equal to those given to government employees under the General Schedule.

The FAA chooses to define the term pay freeze very narrowly to make it appear that the proposal constitutes fair treatment. In fact, the FAA pay proposal, according to the FAA numbers, would place 96% of all controllers above their pay band. The result of this change would be that controllers would not receive any cost of living adjustments to their pay, likely for the remainder of their careers. The cuts to the FAA pay scales are so stark that for seven of the nine pay bands the entire new pay band is below the minimum of the current band. There is not one dollar of overlap between the two pay systems for the majority of the facilities in the country.

After lengthy efforts to support the claim that the FAA proposal does not cut pay, the submission acknowledges that it is indeed a pay cut through the elimination of CIC and CIP pays. However, the FAA describes these as “modest” by using an average to mask the economic effect on individuals. For a controller in a very high cost of living area, like New York, Chicago and California, this could amount to a loss of \$14,075 per year -- hardly a “modest” pay cut.

The submission brags that the FAA proposal will maintain all benefits provided to controllers, touting the increased cost of the FERS retirement system over the CSRS program. The FAA fails to mention that federal employee retirement systems are governed by statute and **cannot** be modified by the FAA or the union. The FAA reform statute specifically precludes the FAA from changing this program in any way. If the FAA truly believed that its proposal was fair to employees, it would be unnecessary to tout the fact that they are not changing something that they have no legal ability to change.

The FAA submission is padded with provisions designed to make it appear that the parties were far apart on many issues that they were likely to reach agreement on had the FAA continued to negotiate. To the casual observer, it appears that the FAA broke off negotiations prior to resolving these issues simply to bolster the image that negotiators were far apart on many topics and that this was not simply a pay dispute.

The FAA submission also makes hay out of the provisions for the handling of assignment of work on holidays. While the finer points of this matter were not completely ironed out, it was not a major point of contention and it would likely have been resolved to mutual satisfaction of the parties had the FAA continued to bargain with the union.

In describing the union’s proposal for accommodating leave, the FAA combines the provisions of the existing agreement with elements of the NATCA proposal. These are conflicting provisions. The submission misstates the union proposal by asserting that it would force the use of overtime to cover for prime time leave. There is nothing in the union proposal that would create such a requirement. The proposal for leave by back was in response to the FAA proposal, which would severely limit a controller’s ability to take vacation time.

The FAA submission shows disdain for its workforce by characterizing the requirement to be allowed to take a break after two consecutive hours of operational duty as unreasonable. A controller’s duty is not like regular office work, where an employee can step out of the office or use the restroom and it is not generally considered a work break. Controllers are unable to leave the sector even for a moment unless they are provided with a break. It is interesting to note that the FAA bargaining team mocked



the need for controllers to have access for breaks. During the bargaining sessions, the FAA team regularly called for breaks from the negotiating table at less than two hour intervals as one member of the NATCA team was tasked with tracking the time of each session.

The two-hour time on position rule is established to ensure the safety of the system. Across transportation modes, fatigue is recognized as a critical safety concern. Air traffic controllers are not exempt from the effects of fatigue. The current provision is not new in the 1998 contract. It is a time tested element of a safety management system and should not be disregarded. The FAA submission appears to seek to eliminate this provision in order to preclude grievances as a result of violating it. In a proper, safety oriented view, the FAA would focus on ensuring controllers are not forced to work beyond the safe limits rather than focusing on how to preclude complaints about it.

In probably the most egregious mischaracterization, the submission asserts that the controllers' proposal would preclude the FAA from assigning related duties to controllers. The union submission does not interfere with the FAA's right to assign duties like those specified in the submission. Those duties are already part of the controller's job description. In addition, the FAA would have the right to assign any duties, even those not related to air traffic control. But, if the duties were not reasonably related to the position description and are recurring, the position description would be amended to reflect those duties. The FAA evaluates employees performance based on the position description and the union proposal would ensure that employees are rated on the work they are assigned.

Finger Pointing

The FAA submission asserts, "NATCA's actual proposal would perpetuate nearly all of the objectionable pay provisions...in the current agreement." This statement is at best disingenuous as the NATCA proposal addressed each and every one of the Administrator's publicly stated concerns with the current system. Absent other feedback from the FAA contract team identifying "objectionable" provisions, NATCA worked hard to meet the agency's need. The NATCA proposal cut the top level of all pay bands by 13%, eliminating the so called spiraling bands. The NATCA proposal held pay bands stagnant for three years, which allowed other FAA employees to catch up; allowed the FAA to close the gap between controllers and other FAA employees; and offered \$1.4 billion dollars of cost savings over the current system – a loss of \$93,000 per person when compared to the existing system.

The FAA characterized these concessions as temporary because after a multi-year stall to the pay bands, controllers would once again be eligible for cost of living adjustments like other FAA employees. There are no "catch-up" provisions. Once stalled, the NATCA proposal would remain three years behind the cost of living adjustments of other government employees and the gap between controllers and other FAA employees would be permanently reduced. The FAA blatantly misstates this provision by saying the gap will continue to increase when the Agency is well aware that the gap would indeed be reduced and remain reduced.

The FAA blames the distance between the proposals as the reason for negotiations breaking down. NATCA offered economic concessions of \$1.4 billion dollars, amounting to \$93,000 per covered employee. The FAA proposal demands another \$40,000 per covered employee. During the course of the negotiations, the NATCA proposal went from offering a status quo proposal to one that saves \$1.4 billion dollars while the FAA proposal began asking for \$2.1 billion in concessions to \$1.9 billion. The NATCA negotiating team moved to close two-thirds of the gap between the proposals while the FAA team moved to close less than 10 percent. This hardly represents an agency committed to good faith bargaining and a voluntary agreement.

The FAA submission attempts to characterize its cuts to CIC and CIP pay as a reaction to criticism from Congress and the Inspector General's Office. It describes both as "highly critical of the CIC and CIP premium programs." The Inspector General has not been critical of the concept of CIC pay; rather, the IG's criticism was limited to the manner in which people were selected and evaluated to perform



CIC duties. The Inspector General believed that the FAA should be more selective in determining who would perform these duties. He did not object to the fact that controllers who perform additional duties should be compensated for them. The FAA assertion that Congress has widely criticized CIP is even more unfathomable. The incentive programs to address hard to staff locations (based on high costs of living) was initiated by members of Congress through the Pay Demonstration Project and Interim Incentive Pay, which was eventually replaced with CIP. Members of Congress fought for and obtained the original programs and worked to see that they were carried over into the new personnel management system.

The FAA submission further asserts that the neither the CIC program nor the 1998 agreement delivered the expected cost savings through increasing the controller to supervisor ratio. NATCA cannot control the FAA's hiring practices – the FAA voluntarily abandoned the plans to reduce supervisor numbers and in recent years instituted significant increases in supervisor staffing. This led to corresponding reductions in the controller to supervisor ratio. At the same time, the FAA has not reduced the amount of CIC hours used to support the operation. It is clear from the data that the FAA has increased the supervisor numbers and costs, but the additional supervisors are not being used to support the operation (or CIC duties would not be assigned.)

Contempt for Congress

That the FAA submission was launched as a surprise attack on Congress just before a two week recess further shows the Agency's contempt for Congress and blatant disregard for the language in the statute. By translating "objections of the exclusive bargaining representatives to the change and the reasons for such objections" to a "summary of NATCA's objections and its proposals," the FAA ensures that Congress will not be provided with a complete picture of the dispute in question. While the proposal represents the union's preferred outcome, it does not necessarily capture the union's objections to the Agency's proposal. For the FAA to manufacture the union's objections and the union's reasons shows disdain for the role Congress is asked to play in this dispute resolution.

The FAA blames Congress for its financial difficulties as an excuse for the drastic cuts to pay rates. The submission refers to annual rescissions as well as unfunded pay raises as source of the funding shortfall. The FAA also fails to recognize that Congress has also funded the Agency at rates higher than those requested in its budget submission.



Additional Points

The FAA's characterization of the statute that requires negotiations attempts to rewrite history. The submission emphasizes that the Administrator's authority to set pay stems from an exemption from an OPM review process and should not be inferred as giving greater power in the bargaining relationship than any other issue. To characterize changes to the personnel management system as "narrowly defined" flies in the face of logic. Further, the FAA attempts to say that the union did not raise concerns with the statutory framework for impasse resolution in the 1998 negotiations. This effort tries to characterize the union's assertion that it is an unfair process as a new claim. Of course, there was not a reason to raise the fairness issue, as previous administrators had not interpreted the statute in this manner. This new interpretation was the triggering event that did not exist in 1998. In addition, every previous administrator in the history of NATCA was able to reach agreement with its employees. It is only this Administrator who has failed to do so.

The FAA argues that controller pay is disproportionately high when compared to other union represented employees. However, comparisons between controllers and their managers and supervisors are suspiciously absent. The apples to oranges comparison between controllers and employees in jobs unrelated to the controller profession allows the FAA to present an image that the controllers receive higher pay than all other FAA employees. In fact, controllers are paid in proportion to others in their chain of command. Air traffic supervisors and managers are each paid more than the controllers they oversee.

The FAA asserts that pay bands have no meaning, refer to them as nominal, and call the minimums and maximums theoretical. For the employees forced to work under the FAA proposal, the bands have considerable consequences for their pay and their future. To try and create the appearance that a 30% reduction in the pay band is not meaningful to existing employees shows a callous disdain for the employees who will be affected.

The FAA characterizes the pay for performance concept as desirable and one where every profession does not move in lockstep, yet throughout the submission the FAA argues that one profession moving in a manner inconsistent with the others is problematic. It goes on to criticize the deferred element of the SCI that applies to controllers as "hidden pay inflation" because of compounding. This shows a profound misunderstanding of the issue. The deferred SCI was deferred as a concession on the part of the union because the six-month delay in implementation saved the FAA considerable amounts. NATCA would prefer to receive this payment in January along with other FAA employees.

The FAA goes on to assert that existing pay is a disincentive for controllers to seek promotions into supervisory or management positions. The FAA has not has a problem filling supervisory or management positions, therefore this assertion is little more than conjecture. However, it was not NATCA's understanding that one of the goals of the agreement was to encourage employees to leave the air traffic controller profession.

The FAA's submission repeatedly misstates NATCA's proposal. The union proposal would have reduced the top of the band by 13% and the bottom of the pay band by 3%. In its submission, the FAA mischaracterizes the union proposal as saying "minimums would temporarily drop by less than three percent, and maximums by less than 10 percent." Later, it says, "The Union has proposed maintaining the maximum for each pay band and a 2.2 percent reduction in the nominal minimum." Neither proposal was ever offered by the union. Instead, NATCA initially offered to cut the tops of the bands by 10% and later enhanced the offer to cut the bottoms of the bands by 3% and the tops by 13%. At no point in the submission does the Administrator accurately convey the union proposal.

The submission includes the pay bands for both the NATCA proposal and the FAA proposal, but does not include the current system to accurately illustrate the true effect of the change on employees.

The FAA states that the new bands only affect those controllers who will be hired after the plan takes effect. This is entirely inaccurate. Because the bands are so low, only a handful (4%) of current



employees would be unaffected. All others would go into a pay retention status where cost of living increases are not applied to salary – causing them to fall further behind in terms of buying power with each passing year. The only controllers that will enjoy the limited grandfather provisions are those that will have no change in status. Under the FAA proposal, controllers currently in training will be adversely affected as will controllers who transfer facilities – in both cases the FAA has indicated that it would not honor a grandfather provision. Imagine a controller in Rockford, IL who seeks a promotion to a busier facility like Chicago, O'Hare. Under the FAA plan, the controller would see a substantial pay cut as a result of the promotion as he would transfer from a grandfathered status into the new lower pay band. This provision hurts the FAA's ability to put the right people in the right place at the right time.

The FAA submission provides a rough comparison between its proposed scales and the GS scale, but fails to inform the reader about transitions from the GS scale to the ATC pay system. The ATC pay system was designed to address the considerable pay compression in the air traffic control workforce. As the FAA illustrates, 58% of the current workforce is in the ATC 10, 11, or 12 bands. Prior to the reclassification, all of these employees were GS 14s. By creating three pay bands from one, pay compression was alleviated. However, it is equally clear in this representation that the FAA would set the ATC 10 and 11 and the base of the ATC 12 at levels below the GS 14 rate. In this way, the FAA proposal puts controllers behind the GS counterparts and behind where they would have been had the system never been reclassified.

The FAA sets up a false argument that cutting controller pay would allow the Agency to modernize the system faster stating "every dollar that is spent on controller compensation is a dollar that could be invested in technology improvements." This statement is illustrative of the negative manner in which controllers are viewed by their employer. Rather than as an integral part of the system, they are viewed as taking resources away from other parts of the agency.

On page after page of the FAA's submission, the Administrator falsely states that controllers currently receive pay raises that are larger on a percentage basis than other federal government employees. The FAA is well aware that this is an incorrect statement. Currently controllers receive the annual presidential pay raise, including locality, that is applied across government, as well as up to 1.6 percent pay for longevity which represents the replacement for the government-wide within grade increase (step). Under the concessions given to the Administrator in conjunction with the 2003 contract extension, NATCA agreed to forfeit portions of this raise in the event that certain agency-wide goals relating to air traffic are not met. As a result, controllers are likely to get less on a percentage basis than other government employees.

The FAA does not appreciate the value of team-based recognition. In air traffic control, teamwork is critical to ensuring a smooth operation. In a team-based environment, individual rewards are not the most effective form of management. In addition, the FAA has a poor record on discrimination issues. Provisions that could allow for pay based discrimination could prove far more costly for the agency. The FAA gained considerable experience with this during the GPAD bonus era, when individual reviews led to cash bonuses for a segment of the workforce. The process was extremely distracting and disruptive. In a more recent example, the FAA determined in the multi-unit that certain individuals, like union representatives, would not be eligible for a merit-based pay increase.

While the submission goes to great lengths to argue for cost savings, the FAA condemns the NATCA offer of eliminating the OSI as a cost savings measure as completely rejecting individual merit raises.

The FAA alleges that neither CIC nor CIP have proved beneficial. The FAA provides no data to substantiate these claims. The CIP was designed to address problems with hard to staff facilities, a term that has virtually disappeared from the FAA vernacular. This problem once plagued the FAA and since the full implementation of CIP, the FAA has not had this problem. The FAA has suffered from its own unwillingness to fill vacancies, but not from a shortage of interested bidders. It is far more accurate to describe CIP as wildly successful than it is to say it has not proved beneficial. It is possible that since the current Administrator has no experience with the difficulties under the former pay system,



the Administrator is unaware of the pitfalls. The FAA is running the risk of canceling the cure simply because they are not feeling the symptoms.

The submission goes on to describe CIP as haphazard and a second locality pay. The FAA mistakenly states that locality pay is based on cost of living. Federal employees are well aware that locality pay is based on the cost of labor, not cost of living. The FAA further states that CIP is based solely on the cost of living for the facility address. In fact, the CIP process used an independent firm, selected by both FAA and the union, to evaluate the comparative cost of living based on a complicated series of factors regarding where people who work in the area are likely to live. The company used by the FAA in this determination is an expert in the field and used by many other government agencies for this purpose. The locations were not negotiated.

With regard to CIC, the FAA determines when, where, and how often CIC's will be used in the operation. The FAA decision to use supervisors in non-operational positions must be providing an ancillary benefit to the agency, as the agency opted not to comply with its agreement to reduce supervisory levels to meet the contract targets. As the FAA chart shows, FAA management is continuing to use CIC's at very high rates, which they would not do if it did not provide value to the FAA. The FAA's attempts at an eleventh hour change to FAA nomenclature has the submission stating that the CIC position is no longer considered "watch supervision" and is instead operational oversight. The CIC is clearly performing watch supervision and is responsible for opening and closing sectors, assigning duties, approving or denying leave requests, managing the distribution of workload, initiating error investigations, and other duties that are clearly watch supervision. In the characterization, the FAA asserts that CIC pay is a disincentive for controllers to become supervisors as a promotion to supervisor will be a four percent raise while CIC pay is a 10 percent differential. However, there is a stark difference in the treatment of pay. The person promoted to supervisor would receive four percent increase for every hour of salary and the amount will be credited for retirement purposes, while the CIC pay is paid only for those hours that a controller is performing CIC duties. None of the CIC pay is creditable for retirement.

Again, the FAA states that pay setting on a facility wide basis was an agency concession in 1998. This is not a true statement. Controller pay prior to the 1998 agreement and prior to the founding of NATCA itself was based on a facility wide rate.

Regarding trainees, the FAA proposal is particularly harsh. The FAA proposal would set academy graduate pay, which has been at a GS 9 rate for several decades, at a level comparable to a GS 7 and further reduce the raises available when controllers reach certain benchmarks. Throughout the FAA's history, developmental controllers have earned pay raises at the points of certification. The 1998 system mirrored the FAA system that had been in place. When a controller certifies on two operational positions, he or she is generally used for staffing for a period of time before resuming training. The pay reflects the new level of responsibility. The FAA submission talks about certification on a flight data position at en route centers; however, flight data at an en route center is not part of the controller job series. More likely, the FAA is referring to the air traffic assistant position. The current system sets the pay at just over half the rate of a fully certified controller, recognizing the difference in responsibility. It is important to note that the pay setting for developmentals in NATCA's final proposal was actually proposed by the FAA in September. NATCA agreed to it and then the FAA regressed. NATCA has filed an unfair labor practice charge on this instance.

The developmental stages, which average three to five years but can take as many as seven, are a key difference in the controller pay system versus other professions. In most FAA jobs, the employee is placed in the bottom of the pay band as a new hire. For air traffic controllers, it takes several years just to get to the bottom of the band. This is why a band-to-band comparison between jobs does not give an accurate comparison between pay bands. An accurate comparison must look at the totality of the pay system.

The FAA proposal also includes a patronage provision that would allow individual managers to arbitrarily offer pay raises on a case-by-case basis to transferring controllers of up to 15 percent.



The FAA submission also lays the groundwork for future pay cuts for controllers at facilities scheduled for downgrade. Each downgrade would cut controller pay an additional four percent and the FAA has many downgrades in progress. In addition, the FAA submission would allow the FAA to raise the breakpoints, which would in turn allow them to downgrade a facility even though the traffic has not declined. Under the FAA proposal, they have established a process for future management initiated pay cuts that would not be subject to bargaining or congressional review.

Finally, the FAA submission drags in a series of minor issues for which there is no reason to believe the parties would not have reached agreement if the FAA had not walked away from negotiations.

