

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
NATIONAL AIR TRAFFIC CONTROLLERS ASSOCIATION
AND THE
FEDERAL AVIATION ADMINISTRATION**

This Memorandum of Understanding ("MOU" or "Agreement") is made by and between the National Air Traffic Controllers Association ("NATCA" or "the Union") and the Federal Aviation Administration ("FAA" or "the Agency"), collectively known as "the Parties." This Agreement represents the complete understanding of the Parties at the national level concerning the extension of the Multi-Unit Collective Bargaining Agreement (the "CBA") dated April 7, 2011, covering the Drug Abatement Inspectors and Investigators; Financial Services Employees; Aircraft Certification Employees; Computer Specialists, Engineers, ATC Specialists (ATO); Logistics, Financial Services and IT Employees; Airports Employees; Office of Chief Counsel Employees; and Aircraft Certification Airworthiness Programs Employees.

Section 1. Effective January 1, 2015, Article 108 Section 2.e. shall be replaced as follows:

Annual Adjustments to Pay Bands

Pay bands are to be adjusted annually in the first full pay period of January equivalent to the percentage pay schedules are adjusted for employees under the General Schedule (GS).

Section 2. Effective January 1, 2015, Article 108 Section 2.b. and 2.c. shall be replaced as follows:

Annual Pay Adjustments

- b. Each employee will receive an annual increase to Basic Pay equivalent to that provided to other Federal employees in the annual adjustment to pay under the statutory General Schedule (GS) increase, effective the first full pay period in January. If the annual adjustment will cause the employee's Basic Pay to exceed the band maximum or the employee's Basic Pay is already equal to or exceeds the band maximum, the employee will receive a pay increase up to the band maximum and the remainder as a lump sum payment, effective the first full pay period in January.
- c. Each employee will receive an annual length of service adjustment of one-point-six percent (1.6%) to Basic Pay, not to exceed the pay band maximum, effective the first full pay period in June. If the length of service adjustment will cause the employee's Basic Pay to exceed the band maximum or the employee's Basic Pay is already equal to or exceeds the band maximum, the employee will receive a pay increase up to the band maximum and the remainder as a lump sum payment, effective the first full pay period in June. The annual length of service adjustment to Basic Pay shall not be granted in any year in which a prohibition on step increases under the General Schedule (GS) is enacted by statute.

Section 3. Interim Incentive Pay (IIP) will terminate upon the implementation date of this Agreement. Employees receiving IIP prior to the implementation date of the Agreement shall have the IIP incorporated into his/her Basic Pay at a rate of 8.2%, regardless of position in band.

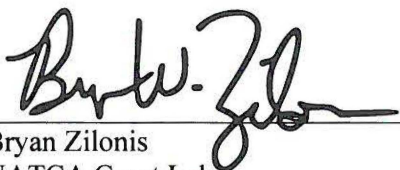
Section 4. Effective with the signing of this Agreement, Article 106 Section 1 shall be amended to extend the duration of the CBA to remain in effect until July 1, 2017.

Section 5. All local, regional and national agreements/past practices reached since April 7, 2011, shall remain in full force and effect for the duration of the extension to the CBA or until the specific expiration date identified in any particular agreement.

Section 6. This Agreement does not constitute a waiver of any right guaranteed by law, rule, regulation or contract on behalf of either Party.


Signed this 12 day of August, 2014.

For the Union:

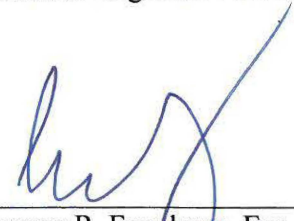

Bryan Zilonis
NATCA Great Lakes
Regional Vice-President

For the Agency:


John H. (Terry) McFall
Acting Director Office of Labor and
Employee Relations


Dean Iacopelli
NATCA Eastern Region
Alternate Regional Vice-President


Michael Doss
Director, Collective Bargaining
Services, AHL-300


Eugene R. Freedman, Esq.
NATCA Special Counsel to the President