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

This Agreement is made 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 between the Parties at the national level concerning Article 108, Section 12, Controller Incentive Pay (CIP), of the Parties' Collective Bargaining Agreement (CBA).

Section 1. The Parties agree that there shall be no changes to the provisions of Article 108, Section 12 of the Parties' CBA and the attached appendix, except in accordance with this Agreement. Unless otherwise agreed to by the Parties, no changes shall be effective prior to the first full pay period of fiscal year 2018.

Section 2. Within ninety (90) days of the execution of the successor to the 2009 CBA, the Parties agree to establish a workgroup, in accordance with Article 114 of the Parties CBA, to determine how to allocate the CIP pool, fixed at \$30,000,000 annually in order to attract and retain employees at targeted facilities. The workgroup will also develop a transition plan to implement any agreed upon changes.

This workgroup shall consist of at least three (3) members from each Party. Decisions reached by the workgroup shall be reduced to writing and binding on the Parties and effective the first full pay period of FY 2018, unless otherwise agreed to by the Parties.

Section 3. If the Parties are unable to reach consensus within thirty (30) days of the initial meeting regarding the allocation of the CIP pool, the Parties shall meet within ten (10) days to negotiate an agreement.

Section 4. If the Parties are unable to reach agreement within forty-five (45) days, they shall utilize the impasse procedures contained in the Parties' November 2, 2010, Memorandum of Understanding.

Section 5. Any change as a result of this Agreement that does not fully allocate the \$30,000,000 CIP pool for a fiscal year, shall not result in a forfeiture of the remaining funds. The Parties at the national level will collaboratively determine how to allocate any remaining funds to the Air Traffic Control Specialist, Traffic Management Coordinator/Specialist, and NOTAM Specialist bargaining unit(s), consistent with the purpose of CIP as stated in Section 2.

Executed this 14th day of July 2016.

For the Union:

Dean Iacopelli

For the Agency:

William L. Cound

2016 CBA - CIP MOU Page 1 of 1