

FAA Reauthorization

Headlines, Headlines, Headlines!!!!

[Air-traffic control union chief: Privatization possible, but funding crucial](#)

While the above headline isn't exactly accurate, it is not as bad as some that have come out indicating we support ATC privatization. The headline, of course, is the most important part of an article. Busy people keep their lives manageable by deciding almost instantly whether something is worth their time. It's the headline's job to entice them, engage them, and capture their attention so that they ignore all other distractions to read the article. Without a headline that pulls the reader in, the article just won't be read. And, in today's market where online readership equals advertising dollars, the clicks matter.

With that said let's get into the meat of the issue with a simple Q & A....

Q: What does NATCA oppose?

A: At this point NATCA opposes the two extremes of the issue: maintaining the **status quo and for-profit privatization**. Because we don't know all of the specifics of the soon-to-be-introduced FAA Reauthorization Bill (the legislative vehicle where any likely change will occur), we cannot take a position, either supporting or opposing.

1. **Status Quo** - We have repeatedly sent updates to members, have stated in speeches, and have explained in panel discussions that defending the "status quo" is not an option. The status quo is riddled with funding uncertainty.
 - o Annual appropriations - Congress has not passed a Transportation, Housing and Urban Development (THUD) Appropriations bill since 2006. Instead, the FAA has been funded either with short-term spending bills known as continuing resolutions (CRs), larger omnibus funding

packages, or a combination of the two. Additionally, due to the controversial nature of funding bills, we almost had a full government shutdown in April 2011 and did have a 16-day shutdown in October 2013. Unfortunately, we will see another shutdown, unless there is an agreement on a funding bill-THUD or CR-by October 1.

- If the THUD bill is signed into law, we will still experience significant cuts in the Facilities & Equipment (F&E) budget. This will negatively affect modernization of facilities and maintenance of facilities and equipment. The operations budget is virtually flat, which could affect hiring even if it does not cause furloughs. The President issued a veto threat because he opposes sequester-level caps being written into appropriations bills.
- If a CR is signed into law, FAA will be funded at FY15 dollars, which would leave operations funding short. This would likely require a hiring freeze for some lines of business, including the ATO, and could also lead to facility closures.

The bottom line is that the two likely appropriations bills do nothing to solve the problems of unstable and unpredictable funding, and could actually make things significantly worse. This fiscal uncertainty has made it difficult for the FAA to make any long-term commitments for spending on modernization programs, hiring, facility maintenance, training, and certification of new and updated aircraft, among other things.

- Sequester - Sequestration is set to take effect again on October 1. Cuts to the FAA operations budget are projected to be much worse than in 2013. Maintenance delays and hiring freezes were put into place in 2013, and with those cuts, there was still a \$253 million shortfall in the operations budget. That deficit forced the FAA to furlough every employee for one day per pay period for 11 pay periods. As you recall, we were able to rally, advocate, and work with Congress to pass a law allowing the Administrator to move \$253 million from Airport Improvement Programs (AIP) budget to plug the shortfall in the operations budget and end the furloughs. Sequester is a 10-year budget process though, and FY16 is only year four. FY13's sequester cuts led to the furloughs, threats of tower closures, a nine-month hiring freeze, delayed maintenance,

and FAA's withdrawal from modernization activities. Congress and the White House reached a budget agreement to delay sequester cuts in FY14 and FY15. If sequester funding levels are applied to FY16, there will be system capacity issues resulting from reduced staffing, furloughs, equipment outages, and other FAA-implemented cuts.

The current state of the FAA, and our status as government employees, is certainly not the status quo we advocated for and defended in the 90s. With that said, our preferred position is to remain government employees in an agency or structure safeguarded from the threat of sequester, government shutdowns, and short-term funding bills (CRs). We seek a funding system that is predictable and allows for hiring, training, modernizing, and infrastructure improvements-not one that burdens the NAS with furloughs, staffing shortfalls, tower closures, and aging equipment and buildings.

Privatization For Profit - We have had to be clear in our opposition to any model that derives profits from ATC services, like we saw with Lockheed Martin and the Flight Service Option (AFSS), or the contract towers run by Serco, Midwest, and RVA. The media and others continue to describe a federally chartered not-for-profit corporatization (a model like NavCanada's) as privatization. These two systems are significantly different.

Q: What does NATCA support?

A: A seat at the table and a voice in any discussion about the system. We believe we have better opportunities to meet the needs of the system and our membership by properly advocating for key elements that need to be addressed in any of the scenarios.

- **Enhanced Status Quo Model** - In this model, governance would remain within the U.S. Department of Transportation (DOT), but changes would be needed to address the manner in which the FAA is funded without changing it structurally.
- **Government Corporation or Independent Agency** - This model would pull the entire FAA-or parts of the FAA-out of DOT, and create a government corporation or independent agency. The government corporation model would require the formation of a governing board that includes stakeholders and government officials. This model would leave air traffic control functions within the government, but would remove them from the DOT.

- **Not-For-Profit Corporate Model** - This model would also require the formation of a governing board, which would include stakeholders and government officials. An example of this would be NavCanada, whose board has three directors elected by the government of Canada. In this model, safety oversight and regulatory functions would remain within the FAA.

We have done our best to prepare for any scenario. We have advocated for all of the following pieces to be included in any change, although some would not be necessary depending on what model, if any, becomes law.

- NATCA would continue as the exclusive representative of those represented today, with nation-wide bargaining units. (If there were a split between operations and safety/regulatory, we would continue to represent units in both areas.)
- Hybrid Labor Code - FLRA would maintain jurisdiction, but NATCA would have the negotiation rights of a private sector union, to allow NATCA to negotiate those matters covered by statute for the federal workforce but not covered by statute for private sector employees.
- Dispute Resolution Process - Grievances would be resolved through mediation, followed by binding arbitration for issues at impasse.
- Protections of FERS/CSRS, TSP, Survivor Annuity, and the ability to negotiate pensions in the case of a model outside of government.
- Sick leave, annual leave, comp time, and credit hour carry-over.
- Pay, compensation, and benefits remain in effect, including COLA to locality where occurring, and the ability to negotiate benefits in the case of a model outside of government.
- Collective Bargaining Agreements, orders, rules, practices remain in effect until renegotiated.
- Grievances, lawsuits, etc., continue in process.
- Workers' Compensation under the Federal employee program (FECA).
- Whistleblower protections.
- Liability protection: employee indemnification where acting in the course of their duty.
- Process for movement between new entity and regulatory FAA.
- Transitional Agreements to deal with the multitude of issues that would arise during any transition. Unresolved issues would be subject to the binding arbitration, dispute resolution process.
 - Bi-Lateral - Between labor and the new entity
 - Tri-Partite - Between labor, the new entity, and the safety/regulatory entity.

- Labor seats on the governance board.

We will not support-and will aggressively oppose-any bill that does not protect these things, or threatens our ability to exist as a union, negotiate all work rules, pay/benefits, and participate in a fair dispute resolution process. The devil is in the details, and we intend to pore over every detail in the draft bill, when it is finally released.

We continue to discuss these issues with House Transportation and Infrastructure Committee Chairman Bill Shuster and Ranking Member Peter DeFazio. We will ensure that the Chairman and Ranking Member know how important each item is to us. We have also been cautioning committee leaders that the transition will have to be carefully examined and cannot be done in haste.

Safety will always remain our top priority. We want to see the NAS grow, innovate, modernize, and create jobs. The right kind of change can bring certainty and growth to our nation's aviation system, and security to the committed professionals who operate it.

We have to be strategic and thorough on any support or opposition. Right now the Congressional committee members want to know what we need. This issue has been around for decades, and if change does not occur now, the issue will be resurrected again sometime in the future. If that happens we will be glad that we already did the work, as future committee leadership might not give us a seat at the table. Having laid the groundwork now will only serve to benefit us in the future, because new committees will likely start from where this one finishes. Our collaboration, expertise, and attention to detail will protect us now and down the line.

We have to learn from the past. We have to be careful when we fight and with whom we fight. We must remember that we have not always been successful, even when our fight is righteous. We lost the contract tower fight, and we endured many years of pay freezes and imposed work rules. Ultimately, we have and continue to organize the Federal Contract Towers. We negotiated a fair contract and worked with Congress to pass a fair dispute resolution procedure to ensure that work and pay rules will never be unilaterally imposed again.

The next Chairman may not give us the time of day, and the next President may not care about us. This is not just about what could happen

now, but also about being prepared for what may happen in the future. We need to work with those who will work with us. That means we cannot start from "no." We can only oppose a bill once we've seen everything in it and we know it doesn't meet our needs. Then our opposition has to be measured and messaged in a way that shows the effect of such a bill on the system, economy, and safety, because many in Congress simply will not prioritize the needs of our workforce.

As you know, the current FAA Authorization expires at the end of September. Given the new expected timeline for introduction of FAA Reauthorization, we anticipate that Congress will have to pass an extension to the current Authorization. Stay tuned to our updates. We will provide more information as soon as it becomes available. Until then, thank you for your dedication and commitment to maintaining the safest, most efficient airspace in the world.

Paul Rinaldi - NATCA President

Trish Gilbert - NATCA Executive Vice President





TSP Bill:

HR 2146 was originally written as "Defending Public Safety Employees Retirement Act." Once it passed, it was signed by the President on June 29, 2015 and became Public Law 114- 26. Congress.gov summarizes the law as it pertains to the special groups as:

"(Sec. 2) This bill amends the Internal Revenue Code, with respect to the exemption from the 10% penalty tax on early distributions from a government retirement plan for qualified public safety employees who have reached age 50, to expand the exemption to include specified federal law enforcement officers, customs and border protection officers, federal firefighters, and air traffic controllers who similarly have reached age 50. The bill also eliminates the

restriction that only distributions from governmental plans that are defined benefit plans qualify for the exemption, thus allowing an exemption of distributions from defined contribution plans and other types of governmental plans. Additionally, early distributions are not treated as a modification of substantially equal payments for purposes of determining an increase in the penalty tax.

The amendments made by this bill apply to distributions made after December 31, 2015".

The TSP Site has posted the following:

"Information for Federal Public Safety Employees (Updated) - (July 8, 2015) P.L. 114- 26, the Defending Public Safety Employees' Retirement Act, was signed by the President on June 29, 2015. This bill amends the Internal Revenue Code to allow specified federal law enforcement officers, customs and border protection officers, federal firefighters, and air traffic controllers who separate from service in or after the year they turn age 50 to make a withdrawal from the TSP without incurring a 10% early withdrawal penalty. We are currently reviewing the law and how it applies to the TSP accounts of public safety officers. We expect to publish information on our website in advance of the law's December 31, 2015 effective date"

There are still many unanswered questions as to how the law is interpreted and thus far OPM has not issued guidance.

As always, you should check with your accounting professionals to understand how this law change will apply to you before making any decisions. We will put out more information as it becomes available.



NATCA on a Panel About Air Traffic Reform at the Transportation Research Board Symposium

On Tuesday, July 7, NATCA participated on a panel that provided stakeholder perspectives about air traffic control reform. The panel was part of a one-day, public symposium hosted by the Transportation Research Board focusing on reform options for the Federal Aviation Administration's (FAA) air traffic control services. The panel discussed past and current reform proposals and the experience with air navigation system providers (ANSPs) in other nations.

To view recordings of any segments, please visit the [symposium webpage](#).



NATCA Members at ITF Young Transport Workers Committee

Some members of the NATCA Reloaded Committee participated in the International Transport Workers' Federation (ITF) Young Transport Workers committee meeting and open session in Washington, D.C.

Participants at the meeting shared ideas and discussed young worker programs in various transport unions from around the globe. NATCA Reloaded Committee members Jacqui Smith, Jennifer VanRooy, and Joseph Allen were invited to speak and answer questions at the event. They provided an in-depth look at NATCA's Reloaded campaign. With approximately one third of the air traffic control workforce eligible to retire, "reloading" the ranks of NATCA is more important than ever. They also shared NATCA's vision of mentorship, education, and activism in order to ensure the union stays strong.

Despite a wide array of transportation workers represented, the attendees shared a desire to engage, educate, organize, and inspire younger members to become active in their union.



New AIR Safety Reporting Program

In April of 2011, NATCA's Multi-Units ratified the "blue book" contract, which contained many improvements in working conditions, including a new article that allowed the parties to pursue putting together a safety reporting system similar to ATSAP. In December 2014, the parties signed a memorandum of understanding (MOU) that created a new safety reporting process (SRP) for NATCA AIR's bargaining unit. The new SRP enhances safety by creating a systematic approach for all NATCA members to promptly identify and correct potential safety hazards.

The new SRP establishes a safety review board, comprised of Union and management representatives, that will work collaboratively to review safety reports. NATCA members can now submit safety reports with the assurance of no reprisal. The SRP board met in late June of 2015 for their first meeting to review the SRP MOU, identify processes to implement the MOU, and to take collaboration training. In addition, face-to-face training on the SRP process was conducted in the Seattle and Dallas-Fort Worth Regional Office with a final national training session conducted via webinar.

NATCA commends NATCA Region X RVP Mike MacDonald and NATCA Safety Committee Chairman Steve Hansen for their efforts to bring these reporting programs to fruition. The new SRP is now open for NATCA members to use.

For more information on the SRP MOU, click [*here*](#).



NATCA Academy Schedule 2015

Secretary/Treasurer Training	September 15-16	Las Vegas, NV
Training Review Board	September 15-16	Las Vegas, NV
Arbitration Advocate Training I	Sept. 28 - Oct. 1	Phoenix, AZ
Advanced Representative Training	October 5-8	Las Vegas, NV
Basic Representative Training	October 19-23	Las Vegas, NV
Advanced Legislative Activism	October 21-23	Washington, DC
Secretary/Treasurer Training	December 1-2	Las Vegas, NV
Basic Legislative Activism Training	December 2-3	Las Vegas, NV



UPCOMING RETIREMENT SEMINARS PROVIDED BY 4 SQUARE

LOCATIONS	3:00PM to 9:00PM	9:00AM to 3:00PM
Nashville	July 28	July 29
Olathe, KS	August 4	August 5
Houston (IAH)	August 18	August 19
Seattle	September 2	September 3
Birmingham	September 22	September 23

New England (ENE)	October 6	October 7
Nashua	October 13	October 14
New Bedford, MA	October 15	October 16
Fort Smith	October 27	October 28
Dallas (DFW)	October 29	October 30
West Virginia	November 3	November 4
Las Vegas	November 12	November 13
Anchorage	November 17	November 18
Fairbanks	November 19	November 20
Juneau	January 26, 2016	January 27, 2016
LOCATIONS	3:00PM to 9:00PM	9:00AM to 3:00PM

When you want to register for one of the above referenced seminars, please do so by signing on to the NATCA [Portal](#). Please verify the personal information listed for you including email and cell phone number. If any information is incorrect or missing, please correct or add it under the My Profile tab.

To register for a seminar, click the "Events" tab, followed by "2015 Retirement Seminars." Complete the requested information and click "Next." When you come to the screen listing the seminars, select the one you wish to attend. Then, hit "Next" verify your requested seminar information and then click "Done." You will receive a confirmation email that your registration was complete.

A second email will be sent two to three weeks prior to the seminar giving you the logistical information for the seminar. Also included in this email will be instructions on how to obtain a benefits estimate at the seminar.

Spouses and significant others are also invited to attend. Please ensure that you add them to the registration when asked if you will be bringing a guest.

Please try to register three weeks prior to the seminar. Walk-ins are permitted to attend as long as you can provide your membership ID number. However, you will be unable to obtain a benefits estimate at the seminar.

We are now offering Career Optimization and Retirement Education (C.O.R.E.) Seminars in many cities! These seminars are geared towards employees with 0-15 years of service who want to maximize their retirement benefits and plan for financial stability in retirement. Log in to the [Portal](#) today to see which cities are offering this great new program.

If you have any questions regarding these events, the registration process, or would like to have a retirement seminar take place in your area, please contact Abigail Glenn-Chase at aglennchase@natcadc.org.



Paul visited SBA to better understand the airspace issue with them and Naval Air Station Point Mugu (NTD). Paul will then be able to continue conversations with the Department of Defense.

We expected that the FAA reauthorization bill might be introduced during our scheduled NEB meeting in Seattle so we moved it to D.C. so we could be closer to the debate and the tentatively scheduled hearing on the bill. The introduction has now been postponed to at least September.



Earlier last week we joined Region X in Dallas for their annual rep. meeting. The briefing and subsequent Q&A lasted more than two hours. The dialogue was great, and the reps were very engaged. Unfortunately we could not spend much time in Dallas as we needed to get back to D.C. for meetings on the Hill and with the FAA administrator. Paul also had the Management Advisory Council (MAC) meeting, chaired by Jane Garvey, last week.

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