

FAA RESPONSE TO NATCA'S FALSE CLAIMS ABOUT CONTROLLER PAY



Federal Aviation
Administration

Once again, John Carr's blog, Mainbang.com, contains many misleading or false statements about the FAA's analysis of controller pay. Given the agency's experience with the 1998 contract - - which NATCA promised would cost \$200 million over three years actually cost more than five times that amount, \$1.1 billion over the same time - - it's critical that our stakeholders understand the actual facts here. The real ones are as follows:

How much of our budget truly goes to controller compensation?

Contrary to Mr. Carr's assertions, the FAA has never claimed that 85% of our total budget goes to NATCA. Labor costs currently represent 74 percent of our **operating budget**. There is a big difference between the total budget and our operating budget, which Carr purposely fails to mention. It is this difference that drives his **flawed** analysis. The truth is that NATCA's \$2.4 billion payroll expense accounts for 42 % of all of the FAA's spending on personnel, compensation and benefits ("PC&B"), which totaled \$5.7 billion last year, whereas controllers represent just 31% of our workforce.

John Carr claims we can save \$543 million through retirements without changing the current contract. Is this true?

No. In fact, if the current contract continues, NATCA's payroll expense will balloon another \$856 million over the next 5 years, even with expected retirements. Mr. Carr's calculation is disingenuous, at best. He claims, "controller salaries start at around \$16,000," implying that we could save tens of thousands of dollars with each new hire. That's wrong; the figure he uses is for trainees at the FAA training academy who don't even control traffic. On average, certified controllers earn in salary alone **more than \$55,000 in their first year** and by fourth year, between \$110,000 and \$133,000 depending on location. And that's before premium pay, much less benefit pay. The implication that seniority explains the constant rise in controller compensation since 1998 is wrong as well. The average age of a NATCA controller has increased by the same amount over those years as the average age of the rest of the FAA employee population.

What really caused the huge 75% increase in controller pay since 1998?

Mr. Carr asserts that "government-wide" and "statutory locality" increases explain the controller pay hikes since 1998. Again, we're not quite sure where he gets his figures. But here's what we do know: The rest of the FAA workforce, which received pay raises equal to or greater than civil servants under the general schedule, saw their total pay increase by 49% over the same time period. NATCA's special pay plan, which linked big pay raises to facility traffic counts, combined with a contract that requires we increase their salaries above the government-wide average each and every year, caused a 75% increase in controller pay since 1998.

Is NATCA genuinely in favor of pay-for-performance?

The "mainbang" article boasts that the current agreement has a strong "pay for performance" element. According to Carr, that's why we should accept the "status quo." But when Mr. Carr grudgingly agreed to add a modest performance element to the contract two years ago, here's what he told NATCA members in his weekly update:

"[T]o think that we protected pay and benefits for another two years is a tremendous victory for our union. And the fact that the vaunted 'pay for performance' plan—the linchpin of the new Administrator—the pride of the Department— is limited to a measly 0.8% of additional pay is such thievery we should all pick up our pay checks with a mask and a gun. And a big, sh**-eating grin."