



U.S. Department
of Transportation

**Federal Aviation
Administration**

Office of the Administrator

800 Independence Ave., S.W.
Washington, D.C. 20591

April 24, 2006

VIA FACSIMILE

Mr. John S. Carr
President, National Air Traffic
Controllers Association
1325 Massachusetts Avenue, NW
Washington, DC 20005

Dear Mr. Carr:

Thank you for your letter of April 21, 2006. I agree with your sentiment that a voluntary agreement would have been highly desirable, and certainly that was my goal throughout the negotiation process. As you know, although our teams agreed on most work rules during the nine months of negotiation and four weeks of mediation, fundamental issues separated the parties in the end and seemingly could not be resolved. While it was never my desire to send our dispute to Congress, because our statute requires impasses to be submitted to Congress, at this point that is the appropriate forum to assess the reasonableness of both sides' positions. This contract has profound implications for the FAA budget and for the rest of the FAA's professional workforce, not to mention the taxpayers.

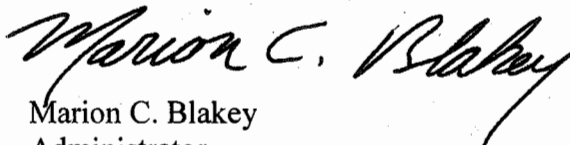
Candidly, I think you have mischaracterized the final days of mediation. Both sides agreed with the federal mediation service that we were at impasse. (You had issued a press release on March 31 announcing as much.) While you claim that we were making progress, in fact, the "best and final" offer NATCA made to the agency was worse than your previous offer, while the agency offer that NATCA rejected put another \$200 million on the table for the benefit of our current controller workforce. To say I was disappointed when we received your response would be an understatement.

At this late date, resuming collective bargaining makes little sense, particularly while you are simultaneously seeking to change the impasse procedure that Congress has rightly established. Our two sides are like "ships passing in the night." Contrary to your claims of a "pay cut," the agency's proposal fully protects the existing salary and benefits of the current workforce and over 80% of the premium pays. Our proposal also guarantees annual locality increases and brings controllers into an incentive-based pay structure, while at the same time establishing a fair and competitive pay scale for our new hires. Your proposal takes a very different course.

We never came close to an agreement for three primary reasons. First, the union has rejected every one of our proposals for meaningful reduction in new hire pay bands, even though the agency's proposal establishes a competitive pay scale under which the maximum base pay for new hire controllers at our highest level facilities is more than the maximum base pay of a GS-14. Second, NATCA has repeatedly rejected the idea of performance-based compensation and insisted on returning, after a three year hiatus, to the current system of guaranteed annual pay hikes regardless of agency or individual performance. As you know, Congress gave the FAA personnel reform and directed the FAA to become more performance-based. Consequently, much of the agency's staff now receives pay increases not as a guarantee, but rather as a result of their performance. We believe the same performance pay principles that apply to other FAA employees should apply to the controller workforce as well. Third, while we were able to reach agreement on many non-economic issues, there were several important work rule issues that we did not resolve. These work rules fundamentally affect management's ability to operate an efficient air traffic system. Exhaustive negotiation over these three issues yielded no real progress.

For more than nine months, NATCA has had the opportunity to address these fundamental issues and to date has not done so. Even in your most recent letter, you present no new proposal. Absent an about-face by NATCA on these core issues, I don't see how further negotiations would produce anything more than costly delay. (Since negotiation began last year, the current agreement has cost the taxpayers an additional \$80 million in pay raises, widening the 42% gap between controllers and the rest of the FAA workforce and putting additional pressure on our budget.) Any contract that does not fully address these fundamental issues will permanently disadvantage the agency, which I cannot accept in good conscience.

Sincerely,

A handwritten signature in cursive script that reads "Marion C. Blakey". The signature is written in dark ink and is positioned above the typed name and title.

Marion C. Blakey
Administrator