

---

---

Office of Inspector General  
*Audit Report*

---

---

**Air Traffic Controller Workforce  
Labor Agreements**

**Federal Aviation Administration**

**Report Number: AV-1998-061  
Date Issued: January 20, 1998**





**U.S. Department of  
Transportation**

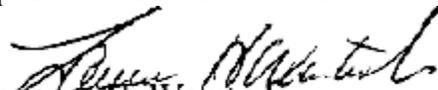
Office of the Secretary  
of Transportation

Office of Inspector General

# Memorandum

Subject: **ACTION:** Report on Audit of Air Traffic  
Controller Workforce Labor Agreements  
Report No. AV-1998-061

Date: January 20, 1998

From:   
Lawrence H. Weintrob  
Assistant Inspector General for Auditing

Reply to JA-10x60500  
Attn of:

To: Federal Aviation Administrator

This is our report on the audit of Air Traffic Controller Workforce Labor Agreements. We are providing this report for your information and use. An executive summary of the report follows this memorandum.

We met with you and your staff on August 28, 1997, to discuss our findings and have taken your comments into consideration in preparing this report. A preliminary copy of our report was provided to the Associate Administrator for Air Traffic Services on October 27, 1997. We also met with the former and current presidents of the National Air Traffic Controllers Association and have taken their comments into consideration as well.

During our audit, we periodically met with members of your staff regarding the issues presented in this report. To the Federal Aviation Administration's (FAA) credit, Air Traffic management, in conjunction with FAA's Office Labor and Employee Relations, has taken timely action by initiating corrective actions to address our concerns on (1) official time for union activities, (2) labor relations expertise and training, and (3) Headquarters oversight. Part III of this report discusses the initiatives taken by FAA.

The actions planned or taken by FAA represent an important step in ensuring that future labor agreements address the needs and interests of controllers while

allowing the agency to effectively manage Air Traffic resources. FAA will need to ensure that these initiatives are fully developed and implemented and that future actions address the findings and recommendations identified in this report.

In accordance with Department of Transportation Order 8000.1C, we would appreciate receiving your written comments within 30 days. If you concur with the findings and recommendations, please indicate for each recommendation the specific action taken or planned and the target dates for completion. If you do not concur, please provide your rationale. Furthermore, you may provide alternative courses of action that you believe would resolve the issues discussed and recommendations included in this report.

We appreciate the cooperation and assistance provided by you and your staff during the audit. If you have questions or need further information, please contact me at x61992 or Alexis Stefani, Deputy Assistant Inspector General for Aviation, at x60500.

Attachment

#

# ***Air Traffic Controller Workforce Labor Agreements***

## ***Federal Aviation Administration***

***Report No. AV-1998-061***

***January 20, 1998***

---

### ***Objective and Scope***

The objective of our audit was to evaluate the impact of Federal Aviation Administration (FAA) labor agreements on FAA's ability to effectively and efficiently manage Air Traffic resources.

The audit was conducted at FAA Headquarters and 13 Air Traffic Control facilities located in FAA's Southern, Eastern, Western Pacific, and Great Lakes Regions. We judgmentally selected and visited 5 of FAA's 21 Air Route Traffic Control Centers (Centers), 4 of FAA's 27 Terminal Radar Approach Control (TRACON) facilities, and 4 of FAA's 315 Air Traffic Control Towers (Towers).

### ***Background***

Air Traffic Services operates 24 hours a day and employs approximately 14,600 air traffic control specialists (controllers), excluding supervisors and air traffic management coordinators. Pursuant to a National Agreement, the National Air Traffic Controllers Association (NATCA) is the exclusive representative of FAA controllers. In addition to the National Agreement, FAA and NATCA may sign a Memorandum of Understanding at the national, regional, or facility level anytime the parties agree to new policies, procedures, and practices not addressed by the National Agreement.

The current National Agreement with NATCA was signed in August 1993, and negotiations on a new agreement began in July 1997. The FAA Reauthorization Act of 1996 expanded the scope of these negotiations by requiring that FAA negotiate all changes resulting from its new personnel management system. Therefore, issues that were previously non-negotiable (such as staffing, compensation, and benefits) are now open to negotiation.

## ***Results in Brief***

The National Agreement is relatively broad to allow flexibility in negotiating issues unique to each Air Traffic facility. Consequently, facility managers exercised wide latitude in dealing with local union issues. However, we found facility managers were not held accountable for cost or staffing implications of agreements they made. Managers routinely granted more time for union activities than required by the National Agreement, even though the loss of controllers affected their ability to meet operational staffing requirements.

We also found FAA had no system for prioritizing or tracking official time for union activities. For example, only 12 percent of the estimated 516,000 hours granted to NATCA representatives was spent assisting the agency in developing and evaluating National Airspace System projects. We found managers were also not provided with necessary training or the assistance of labor relations experts to effectively negotiate complex issues. This, combined with an absence of information identifying the impact their decisions had on operations, resulted in decisions that were often costly and inefficient.

In response to our audit, FAA initiated corrective actions addressing many of our concerns regarding official time for union activities, training, labor relations expertise, and management oversight. For example, FAA initiated efforts to broaden the authority of union representatives working on National Airspace System project work groups and hired a consultant to develop a series of labor relations workshops for Air Traffic management.

The actions planned or taken by FAA represent an important step in ensuring that future labor agreements address the needs and interests of controllers while allowing the agency to effectively manage Air Traffic resources. However, FAA will need to ensure that these initiatives are fully developed and implemented, and that future actions address all the issues and recommendations identified in this report. Timely action will be even more significant should Congress and the Administration adopt recommendations of the National Civil Aviation Review Commission to reorganize Air Traffic Services into a Government Performance Based Organization. It is unlikely that a successful transition into this type of organization could occur unless FAA (1) establishes controls over granting and tracking official time for union activities; (2) requires managers to collect, analyze, and evaluate data on the cost and staffing implications of proposed agreements; and (3) holds managers accountable for their decisions.

## ***Principal Findings***

FAA did not have effective management controls over issues concerning (1) official time granted for union activities, (2) reassigning controllers from contracted Towers, (3) negotiating changes in technology, and (4) negotiating changes in working conditions.

### ***Official Time Granted for Union Activities***

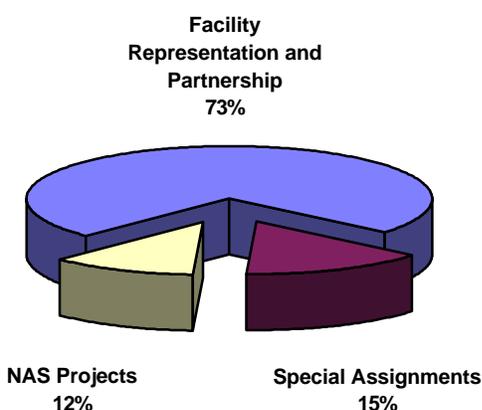
FAA grants official time to controllers to perform union activities for (1) facility representation and partnership programs, (2) representation on National Airspace System project work groups, and (3) special assignments. The National Agreement identifies the specific number of hours that may be granted to principal facility representatives and NATCA regional vice presidents. The number of hours of official time granted to other types of facility representatives (such as area representatives, alternate facility representatives, and safety representatives) are not addressed in the National Agreement. Official time for these positions is granted at facility managers' discretion.

FAA's Air Traffic partnership program brings together controllers, union representatives, and managers using team approaches to address specific issues and craft solutions. Although partnership is an FAA-wide program, not all facilities utilize partnership programs. Of the 13 facilities we visited, 6 had ongoing partnership programs during Fiscal Year (FY) 1996, while the remaining 7 relied primarily on more traditional labor relations approaches. Partnership programs are not addressed in the National Agreement. The number and types of partnership teams as well as the number of controllers and management representatives participating on each team are established by facility agreements. Time spent on partnership programs does not include time spent by NATCA representatives on National Airspace System projects. Controllers designated by NATCA to serve on National Airspace System (NAS) project work groups act as advocates of the controller workforce while providing technical assistance to the agency in developing and implementing new systems.

Controllers may also be designated to represent NATCA on special assignments outside their assigned facilities. These include positions such as NATCA liaisons to regional or Headquarters offices, and customer focus groups. Special assignments as NATCA representatives are not addressed in the National Agreement, and official time for these positions is granted at managers' discretion.

Nationwide Estimate of Official Time Granted. FAA does not have a system for tracking official time granted for union activities. However, in response to our inquiries during the audit, FAA requested that each region estimate the amount of official time granted for union activities during FY 1996. Each facility manager provided an estimate of the hours of official time granted based on past practices, facility agreements, or supervisory input.

FAA estimates that its managers granted about 516,000 hours for union activities (the equivalent of 248 full-time controllers) during FY 1996. The following chart shows (according to FAA's estimate) the percentage of the total time granted for each category of union activity.



We performed several tests of the data used in FAA's estimate. At the 13 sites visited, we reviewed monthly work schedules and daily logs to determine whether controllers were on the operational schedule or performing union activities. We also reviewed facility agreements and discussed time granted for union activities with facility managers and NATCA representatives. We compared the results of our tests at the 13 facilities visited to the time reported in FAA's estimate. We concluded that FAA's estimate was reasonable. However, in discussing FAA's estimate with the president of NATCA, he indicated that the estimate was not performed in consultation with union officials, and he questioned its accuracy. This further underscores the need for FAA to develop a system for tracking official time granted for union activities.

The lack of a tracking system has also hindered the Department of Transportation's (DOT) ability to accurately report time spent on union activities. On August 26, 1996, the Chairman of the House Subcommittee on Civil Service, requested DOT to provide information on the number of employees, the total number of hours those employees spent performing union related representational work on official time, and the total cost of such

activity. In response, on November 1, 1996, the Secretary stated that much of the information requested by the Chairman was kept at the local level, and the Department did not have a separate data base from which to answer most of his questions. This occurred because information was not consistently maintained throughout the Department since there was no requirement to do so. Consequently, the Department could only provide the Subcommittee with an indication of the range of time spent by employees performing union-related representational work in the various operating administrations.

Comparison to Other Agencies. We compared FAA's estimate to the amount of official time granted for union activities by the Social Security Administration (SSA) in FY 1995 and the Internal Revenue Service (IRS) in FY 1994 (as reported by the General Accounting Office). As shown in the following chart, the total hours of official time FAA granted to controllers to perform union activities, according to FAA's estimate, exceeded the hours granted for union activity by the other two agencies, even though Air Traffic had fewer represented employees.

Agency	Total Hours Granted	Equivalent Number of Representatives <sup>1</sup>	Total Represented Employees	Equivalent No. of Representatives to Represented Employees
FAA (NATCA)	516,000	248	14,600	1 to 59
SSA (3 Unions)	404,000	194	52,000	1 to 268
IRS (1 Union)	442,000	213	97,000	1 to 455

The differences in the equivalent number of representatives to represented employees may be due, in part, to the number of facilities and distribution of the agencies' workforces. For example, during January 1994, 39 percent of the IRS workforce was located at 10 service centers. In contrast, FAA's controller workforce is located at over 366 Air Traffic facilities, and SSA's workforce is located at over 1,500 facilities.

Union Activity on National Airspace System Projects. Controllers assigned by NATCA to National Airspace System projects assist the agency in developing requirements and evaluating operational suitability of new systems from a user's perspective. This kind of management and union cooperation ensures effective development of new systems. In the Inspector General's October 30, 1997, testimony on the Standard Terminal Automation Replacement System (STARS) before the House Subcommittee on Transportation and Related Agencies Appropriations, we reported that significant human factors issues had

---

<sup>1</sup> To determine the equivalent number of representatives, we divided the total hours granted by 2,080 (the total number of hours in one staff year).

not yet been addressed by FAA. This happened, in part, because user involvement had been limited during crucial design and development stages of STARS.

By comparison, in developing the Display System Replacement Program (DSR), FAA had established a formal process with NATCA regarding user involvement during early system development stages. As a result, many human factor issues were identified during developmental stages of DSR and a mechanism currently exists to resolve any remaining open issues.

Clearly, user involvement during system development is critical to ensure successful deployment of new systems. However, FAA has no management controls to ensure that sufficient time is allocated to support these activities. For example, of the approximately 516,000 hours of official time granted for union activities in FY 1996, FAA's estimate shows that only 12 percent were devoted to assisting the agency on National Airspace System projects. To ensure that an adequate amount of official time is allocated for that purpose, FAA will need to implement a system that facilitates prioritizing and tracking official time for National Airspace System projects as well as time granted for other union activities.

*Lack of Controls Over Granting and Tracking Official Time for Union Activities.* FAA did not have effective management controls over granting and tracking official time for union activities. Consequently, at 11 of the 13 Air Traffic facilities visited, managers granted more official time to principal facility representatives and NATCA regional vice presidents than required by the National Agreement. The National Agreement guidelines allow principal facility representatives to use up to 30 percent of their work hours for union activities. At 4 of the 11 sites, we found the principal facility representatives worked full time on union activities. At the other seven sites, we found the principal facility representatives worked at least 60 percent of their time on union activities. While the National Agreement allows NATCA regional vice presidents to use up to 50 percent of their work hours for union activities, we found all three NATCA regional vice presidents in the regions visited worked full time on union activities.

Facility managers also did not effectively manage the number or types of positions designated to perform union activities. For example, at the New York Center, in addition to a full-time principal facility representative, we found that managers also granted 16 other controllers over 9,150 hours of official time for other facility representative positions including an assistant facility representative, a secretary, a treasurer, 6 area representatives, a safety

representative, a legislative representative, and a NATCA training coordinator. This additional time was granted even though the New York Center incurred over \$2 million in overtime costs during FY 1996 to meet operational staffing requirements.

Facility managers also granted official time to controllers to perform union activities without knowing details about the assignments. At the 13 sites visited, we found that out of approximately 23,200 hours of official time granted to controllers for special assignments as union representatives, only 20 percent were supported by documentation. For example, managers at the Atlanta Center granted 26 controllers about 7,390 hours for such special assignments as NATCA representatives on customer focus groups or liaisons to FAA regional and Headquarters Offices. However, managers at Atlanta Center had no documentation showing what the controllers' duties would be, how long their assignments would last, or where their duties would be performed.

We also compared management controls over official time for union activities covered by the National Agreement to those contained in seven other private and public labor agreements. In our opinion, the seven agreements contained more management controls over the use of official time for union activities than the National Agreement. For example, the Agreement between Boeing and the International Association of Machinists and Aerospace Workers requires each union steward to notify and obtain permission from their supervisor before leaving work and performing union business. FAA generally does not require principal facility representatives to notify their supervisors before performing union activities. FAA facility managers grant official time in advance and do not review the need for this time or its impact on operational staffing requirements on a daily basis.

*Impact on Operational Staffing Requirements.* According to NATCA, official time granted for union activities had no effect on the safe or efficient movement of air traffic. However, we found managers routinely granted more time for union activities than required by the National Agreement, even though the loss of controllers affected their ability to meet operational staffing requirements. For example, based on FAA's staffing standards, 5 of the 13 sites visited were understaffed by 111 controllers and incurred over \$3.2 million in overtime during FY 1996. For the same period, we found managers at these five facilities granted 39,980 hours of official time for union activities (the equivalent of 19 full-time controllers) beyond what was specified in the National Agreement.

Managers also routinely called in or scheduled controllers on overtime to replace controllers performing union activities. At 8 of 13 sites visited, we tested daily staffing levels and found that, on the average, 11 controllers were off the daily operational schedule each day to perform union activities while 8 controllers were scheduled to work overtime to meet operational needs. In some cases this ratio was one-for-one.

### ***Reassigning Controllers from Contracted Towers***

A 1993 FAA study evaluating the cost of Level I Tower<sup>2</sup> operations recommended converting Level I Towers to contract operations. Conversion to contract operations required FAA to reassign controllers from contracted towers to other FAA Air Traffic facilities. To accomplish this, FAA signed a Memorandum of Understanding with NATCA agreeing to accommodate each controller's highest preference for reassignment. Although FAA's 1993 study concluded that contracting Level I Towers would allow ". . . the agency to realign its limited resources in a more efficient and effective manner . . ." FAA did not require controllers to relocate to facilities that were understaffed. In fact, over half of the 599 controllers reassigned from contracted Level I Towers between FYs 1994 and 1996 went to overstaffed facilities.

### ***Negotiating Changes in Technology***

The National Agreement states that FAA must notify and negotiate with the union prior to making changes in working conditions resulting from implementation of new technology. As illustrated below, we found facility managers entered into agreements or negotiations for implementing new technology that unnecessarily increased overtime costs and delayed system commissioning dates.

*Facility Negotiations for Training Controllers Increased Overtime Costs.* At the five Centers visited, facility managers and NATCA representatives held impact and implementation (I&I) negotiations on how controllers would be trained on the new Voice Switching and Control System (VSCS) and what impact the training would have on daily staffing requirements. Although some overtime is necessary to train controllers on new systems, managers have available more cost-effective alternate approaches to meet staffing requirements. For example, managers could have assigned staff specialists and supervisors to work in place of controllers who were in the training, or staffed shifts with fewer controllers when air traffic volumes were projected to be

---

<sup>2</sup> Level I Towers have the lowest volume of air traffic.

relatively light. However, at four of the five Centers, managers entered into VSCS training agreements with NATCA that limited their ability to use these approaches. For example, the New York Center agreement on VSCS training required managers to use overtime to meet staffing requirements before using supervisors, staff specialists, or NATCA representatives to work in place of controllers being trained on the system.

Facility managers also had little incentive for negotiating agreements that were cost effective because overtime incurred to train controllers on VSCS was reimbursed from Air Traffic Headquarters and not charged to facility operating budgets. At the four Centers, overtime incurred to train controllers on the system was \$687,000 (23 percent of all FY 1996 reimbursements to Air Traffic facilities for controller training on all new systems).

*Facility I&I Negotiations Delayed Commissioning Dates.* VSCS commissioning dates at the Chicago and New York Centers were delayed up to 6 months while facility managers and union representatives held I&I negotiations on issues that were outside their responsibility. For example, at these sites, NATCA representatives wanted to delay 24-hour operation of VSCS until a permanent backup system was available. FAA had negotiated seven National Memorandums of Understanding on VSCS and planned to utilize existing air-to-ground communication systems in each Center as the temporary backup to VSCS until the planned permanent backup system was available.

Although a permanent backup system had been addressed at the national level, VSCS commissioning dates were delayed at Chicago and New York Centers while facility negotiations regarding the issue continued for 5 to 6 months. At the time of these negotiations, between 8 and 17 other Centers were operating VSCS on a 24-hour basis using the existing air-to-ground communication system as backup. Headquarters VSCS Program Officials estimate that as a result of those delays, FAA incurred over \$641,000 to lease and maintain the communication systems that would have been removed.

### ***Negotiating Changes in Working Conditions***

At the 13 sites visited, we found facility managers entered into agreements on changes in working conditions that were an inefficient and ineffective use of personnel. For example, managers entered into facility agreements granting blanket preapproval for controllers to earn credit hours. Credit hours are any hours worked in excess of an employee's basic work requirement, at the election of the employee, subject to prior management approval based on

justifiable need. However, managers at 3 of the 13 sites visited entered into agreements allowing controllers to earn credit hours without obtaining prior management approval. As a result, managers did not control when credit hours were worked or whether they were necessary.

For example, managers at one facility stated that supervisors were often given only 10 minutes' notice at the beginning of a shift that a controller was working credit hours, and they were "hard pressed" to find meaningful work for that controller to perform since the shift was already fully staffed. In FY 1996, controllers and other employees at the 3 sites earned over 52,000 credit hours (the equivalent of having 25 additional full-time controllers on board) even though 2 of the 3 sites were already overstaffed by a total of 46 controllers.

Managers also entered into facility agreements that allowed controllers to receive time-off awards for coming to work. Time-off awards are normally granted on the basis of a suggestion, invention, or other superior accomplishment. However, at 3 of the 13 sites visited, managers entered into facility agreements for time-off awards that had no requirements other than attendance at work during special events.

For example, at two of the three sites, employees were given a 10 hour time-off award for every 5 consecutive days employees worked during transitions to new facilities. The total salary value of the time-off awards at the three facilities was approximately \$991,000 (23 percent of the estimated total time off awarded by FAA during FY 1996).

FAA has come to similar conclusions. In response to our audit, FAA reviewed 924 facility agreements from its 9 regions and determined that 542 (59 percent) needed to be modified or rescinded because they conflicted with the National Agreement or were excessively costly to FAA.

## ***Lack of Controls, Training, and Expertise in Labor Relations***

The issues we identified during the audit occurred because FAA did not: (1) establish controls over granting and tracking official time for union activities; (2) require managers to collect, analyze, or evaluate data on the cost and staffing implications of union proposals; (3) hold managers accountable for their decisions; and (4) provide facility managers adequate labor relations training or the assistance of labor relations experts to negotiate complex issues.

## ***Recommendations***

Our recommendations focused on methods for improving FAA's management of Air Traffic resources. These included recommendations that FAA:

- Establish controls over granting and tracking official time for union activities to ensure that future labor agreements address the needs and interests of controllers while allowing the agency to effectively manage Air Traffic resources;
- Require managers to collect, analyze, and evaluate data on the cost and staffing implications of potential agreements;
- Hold managers accountable for cost and staffing implications of agreements they make;
- Provide more extensive supervisory labor relations training; and
- Obtain outside labor relations expertise to assist managers in negotiating complex issues.

## ***FAA Initiatives Taken to Address Weaknesses***

In response to our audit, FAA initiated timely corrective actions to address our concerns on official time granted for union activities, training, labor relations expertise, and management oversight. For example, Air Traffic issued guidance to facility managers on "returning to contractually authorized official time for union representatives." Air Traffic also initiated efforts to broaden the authority of union representatives working on National Airspace System project work groups. According to Air Traffic management, this is being accomplished by negotiating agreements granting each representative on these work groups full authority to bargain on behalf of the union. Air Traffic has

also hired a consultant to develop a series of labor relations workshops for Air Traffic managers.

FAA also plans to provide funds to each regional Air Traffic Division to select one labor relations specialist. According to FAA, “these specialists are expected to be the division’s focal point for labor relations issues and act as a resident expert to provide the division managers counsel on issues dealing with the unions.” FAA plans to use these specialists to maintain a nationally consistent approach in labor relations decisions regarding similar situations. Air Traffic also developed a labor relations strategic plan calling for better leadership, internal communication, organizational structure, and training initiatives. Since developing this plan, Air Traffic has issued guidance to facility managers for correcting problems identified concerning credit hour policies and time-off awards.

The actions planned or taken by FAA represent an important step in ensuring that future labor agreements address the needs and interests of controllers while allowing the agency to effectively manage Air Traffic resources. However, FAA will need to ensure that these initiatives are fully developed and implemented. Timely action will be even more significant should Congress and the Administration adopt recommendations of the National Civil Aviation Review Commission to reorganize Air Traffic Services into a Government Performance Based Organization. It is unlikely that a successful transition into this type of organization could occur unless FAA ensures that future actions address all the issues and recommendations identified in this report.

TABLE OF CONTENTS

TRANSMITTAL MEMORANDUM

EXECUTIVE SUMMARY

I. INTRODUCTION

Background .....1

Objective, Scope, and Methodology .....2

Prior Audit Coverage.....4

II. FINDINGS AND RECOMMENDATIONS.....6

Finding A: Official Time Granted for Union Activities.....7

Finding B: Placement of Air Traffic Controllers From Contracted  
Level I Towers.....22

Finding C: Impact and Implementation Negotiations for Changes in  
Air Traffic Control Technology .....27

Finding D: Facility Agreements on Changes in Working Conditions ..33

III. FAA INITIATIVES TAKEN DURING THE AUDIT.....41

IV. EXHIBITS

Exhibit A: Activities Visited .....43

Exhibit B: Air Traffic Operations, Facility Ranking, and Staffing  
Levels of Activities Visited.....44

Exhibit C: Analysis of FAA’s Estimate of Official Time Granted  
for Union Activities .....45

Exhibit D: VSCS Deployment Schedule.....46

Exhibit E: Major Contributors to This Report.....47

## I. INTRODUCTION

### Background

Air Traffic Services in the Federal Aviation Administration (FAA) is responsible for ensuring the safe and efficient movement of air traffic. This responsibility includes separating aircraft during departure, approach, and en route phases of flight; providing air navigation services and guidance; and furnishing pre-flight and in-flight assistance to pilots.

FAA operates over 448 Air Traffic facilities which include 366 Air Route Traffic Control Centers (Centers), Terminal Radar Approach Control (TRACON) facilities, and Air Traffic Control Towers (Towers); and 82 Flight Service Stations (FSS). Controllers at Centers assign aircraft to specific routes and altitudes to ensure safe separation of aircraft during the en route phase of flight. Controllers at TRACONs assign routes and altitudes to aircraft during the approach and departure phases of flight. Controllers at Towers are responsible for the safe operation of aircraft on the ground and in flight in the nearby vicinity of airports. FSS specialists provide pilot briefings, broadcast weather and National Airspace System information, receive and process flight plans, and monitor air navigation facilities.

Controllers and FSS specialists, excluding supervisors, are represented by two of FAA's oldest unions. The National Air Traffic Controllers Association (NATCA) was certified in 1987 as the exclusive representative for controllers and currently represents approximately 14,600 controllers<sup>1</sup> in Centers, TRACONs, and Towers. The current National Agreement between FAA and NATCA was signed in August 1993 and negotiations on a new agreement began in July 1997. The National Association of Air Traffic Specialists (NAATS) was certified in 1975, and currently represents approximately 2,700 FSS specialists. FAA employees are not required to join or pay dues to the union that represents them.

In 1978, the Civil Service Reform Act provided the foundation for current Federal labor relations and established the Federal Labor Relations Authority. This Act defined the rights and duties of management and union representatives to negotiate in good faith and added operational issues that could be negotiated including the technology, methods, and means of conducting work. This Act also authorized official time for employees to serve as union representatives during the negotiation of collective

---

<sup>1</sup> For purposes of this report, controllers include Full Performance Level and Developmental air traffic control specialists, excluding supervisors.

bargaining agreements and for other purposes such as attending arbitration hearings.

In 1993, Executive Order (EO) 12871 established labor and management partnerships throughout the Executive Branch. According to this EO, only by changing the nature of Federal labor and management relations so that managers, employees, and union representatives serve as partners, will it be possible to design and implement comprehensive changes necessary to reform Government. These partnerships called for involving employees and their union representatives as full partners with management representatives to identify problems and craft solutions to better serve an agency's customers and mission.

The FAA Reauthorization Act of 1996, dated October 9, 1996, requires that any changes made to FAA's new personnel management system be negotiated with FAA's unions. Accordingly, in the current negotiations, FAA managers will have to negotiate issues that were previously non-negotiable, such as staffing, compensation, and benefits.

### Objective, Scope, and Methodology

The objective of our audit was to evaluate the impact of FAA labor agreements on FAA's ability to effectively and efficiently manage Air Traffic resources. The audit was conducted between April 1996 and June 1997 at FAA Headquarters and 13 Air Traffic Control facilities (Centers, TRACONs, and Towers) located in FAA's Southern, Eastern, Western Pacific, and Great Lakes Regions. We judgmentally selected and visited 5 of FAA's 21 Centers, 4 of the 27 TRACONs, and 4 of the 315 Towers<sup>2</sup>. We also visited 3 of the 82 FSSs. Exhibit A contains a complete listing of facilities visited. The 16 facilities we visited employed 2,616 controllers and specialists. Exhibit B gives workload and staffing data on the facilities visited.

We reviewed FAA's 1993 National Agreements with NATCA and NAATS to identify policies, procedures, and practices affecting controllers and FSS specialists. In addition to the National Agreements, FAA and its unions may sign a Memorandum of Understanding (MOU) any time the parties agree to new policies, procedures, and practices not addressed by the National Agreements. These MOUs can be negotiated at the national, regional, or facility level and are binding agreements between FAA and its unions. We reviewed all active MOUs at all sites visited.

---

<sup>2</sup> We did not visit any of FAA's three Center Radar Approach Control facilities.

We also reviewed minutes of partnership meetings held during Fiscal Years (FY) 1995 and 1996 at all sites visited. FAA's partnership program involves employees and union representatives as full partners with management to better serve the agency's customers and missions. The minutes of partnership meetings also contain binding agreements.

We reviewed Title 5, United States Code, Chapter 71, Labor-Management Relations, establishing labor and management rights in the Federal Government. We reviewed FAA orders establishing policies and procedures for administering personnel programs, such as time-off awards and alternate work schedules. We interviewed FAA managers from the Headquarters, regional, and facility levels, along with NATCA and NAATS representatives at the national and facility levels.

We also reviewed seven collective bargaining agreements from private companies and public agencies including General Motors, Boeing, the New York and Chicago Transit Authorities, the California Correctional Peace Officers Association, the United States Coast Guard, and the Canadian Air Traffic Controllers Association. In addition, we reviewed recent General Accounting Office (GAO) reports and testimony on union activities in other Federal agencies.

We conducted the audit in accordance with Government Auditing Standards prescribed by the Comptroller General of the United States and included such tests as we considered necessary to provide reasonable assurance of detecting abuse or illegal acts.

To accomplish our objective, we focused on (1) the amount of official time granted to controllers to perform union activities, (2) the placement of controllers from contracted or closed Towers to other facilities, and (3) the negotiations over changes in technology or facility working conditions.

In evaluating the amount of official time granted for union activities, we reviewed the National Agreements; national, regional, and facility MOUs; and partnership agreements identifying the amount of official time granted to controllers and specialists to perform NATCA and NAATS activities during FY 1996. We also requested and reviewed documentation authorizing controllers and specialists to perform union activities and discussed time granted with facility managers and NATCA representatives. In addition, at the 13 sites visited, we reviewed monthly work schedules and daily logs to determine whether controllers were on the operational schedule or performing union activities.

At each facility visited, we grouped official time granted for union activities into categories including facility representation, partnership activities, and special assignments, such as representation on National Airspace System work groups. We also compared time granted by FAA for union activities to time granted by other Federal agencies as reported by GAO. We also performed limited testing to determine whether controllers granted official time for union activities were maintaining currency (the minimum amount of time controllers must spend controlling air traffic each month to remain certified).

We reviewed the 1994 National MOU between FAA and NATCA establishing policies for relocating controllers from contracted or closed Towers to other facilities. We interviewed managers and union officials regarding the impact of these policies on controller staffing imbalances and reviewed the placement of these controllers during FYs 1994 through 1996. At the five Centers visited, we reviewed all MOUs and partnership agreements covering implementation of new technology. In addition, at all sites visited, we reviewed all MOUs and partnership agreements concerning changes in working conditions affecting personnel policies and practices.

During our audit of the agreements between FAA and NAATS, we did not identify any negative impact these agreements had on FAA's ability to effectively and efficiently manage Air Traffic resources. Therefore, the results of our audit in Part II of this report do not address FAA and NAATS agreements.

Part III of this report discusses initiatives taken by FAA in response to our audit on labor relations issues relating to NATCA.

### Prior Audit Coverage

In the last 5 years, the Office of Inspector General (OIG) and GAO have not conducted any audits of the impact of FAA labor agreements on Air Traffic resources. However, the OIG's Office of Assistant Inspector General for Inspections and Evaluations issued a report entitled "FAA's Quality Through Partnership Process in the Air Traffic Service," dated May 6, 1997. The review identified two areas for improving the partnership process and recommended FAA (1) develop a uniform process for evaluating progress and improvements in organizational performance resulting from ongoing labor and management partnerships, and (2) have managers solicit advice on technical issues from relevant staff specialists and controllers, regardless of union status, prior to making a decision. FAA concurred with both recommendations and identified appropriate planned corrective actions to evaluate and track the partnership process.

## II. FINDINGS AND RECOMMENDATIONS

The current National Agreement between FAA and NATCA contains 88 articles covering personnel policies and practices affecting controllers. The National Agreement is relatively broad to allow flexibility in negotiating issues unique to each Air Traffic facility. As a result, facility managers exercised wide latitude in dealing with union issues. However, facility managers were not held accountable for cost or staffing implications of agreements they made with NATCA. Further, they were not provided with the necessary training or assistance of labor relations experts to negotiate complex issues. This, combined with an absence of information identifying the impact their decisions had on operations, resulted in decisions that were often costly and inefficient.

During our audit, FAA initiated corrective actions to address our concerns on official time, training, labor relations expertise, and management oversight. For example, FAA initiated efforts to broaden the authority of union representatives working on National Airspace System project work groups and hired a consultant to develop a series of labor relations workshops for Air Traffic management. See Part III of this report for a description of FAA's initiatives.

The actions planned or taken by FAA represent an important step in ensuring that future labor agreements address the needs and interests of controllers while allowing the agency to effectively manage Air Traffic resources. However, FAA will need to ensure that these initiatives are fully developed and implemented, and that future actions address all the issues and recommendations identified in this report.

Timely action will be even more significant should Congress and the Administration adopt recommendations of the National Civil Aviation Review Commission to reorganize Air Traffic Services into a Government Performance Based Organization. It is unlikely that a successful transition into this type of organization could occur unless FAA (1) establishes controls over granting and tracking official time for union activities; (2) requires managers to collect, analyze, and evaluate data on the cost and staffing implications of proposed agreements; (3) holds managers accountable for their decisions; (4) provides expert assistance and sufficient labor relations training to managers; and (5) provides sufficient oversight of agreements to ensure that they are cost effective and efficient use of resources.

## Finding A. Official Time Granted for Union Activities

FAA did not know the cost or staffing implications of official time granted to controllers to perform union activities. This occurred because FAA did not have adequate management controls over granting and tracking official time to perform union activities. In addition, facility managers did not consider the impact that granting official time for facility representation, partnership, and other union special assignments had on operational staffing requirements, and were not provided with the necessary expertise and assistance when negotiating agreements. As a result, the amount and allocation of official time granted for union activities impeded FAA's ability to effectively and efficiently manage Air Traffic resources. Unless a new agreement is sufficiently explicit with respect to the amount of official time granted for union activities, this condition is likely to continue.

### Union Activities for Which FAA Grants Official Time

FAA grants official time to controllers to perform union activities for (1) facility representation, (2) special assignments, and (3) partnership programs.

The National Agreement between FAA and NATCA contains various articles that allow controllers official time to perform activities as facility representatives and NATCA regional vice presidents, or as union representatives on special assignments. Official time granted for partnership activities is governed by facility agreements between local NATCA representatives and facility managers.

Official Time Authorized by the National Agreement. The National Agreement between FAA and NATCA identifies the specific number of hours that may be granted to principal facility representatives and NATCA regional vice presidents. The Agreement states that unless prohibited by operational requirements, each principal facility representative shall be granted a certain amount of official time per 2-week pay period based on the number of controllers in the facility. The following table shows the specific number of hours identified in the National Agreement.

Number of Controllers in the Facility	Official Time Authorized to Principal Facility Representative per Pay Period
1-15	up to 8 hours
16-35	up to 12 hours
36-39	up to 16 hours
70-125	up to 20 hours
over 126	up to 24 hours

The National Agreement also allows that, in facilities where the principal facility representative needs more official time to perform union activities, managers may grant more time as deemed appropriate. In addition, the National Agreement provides 40 hours of official duty time per 2-week pay period for each of NATCA's nine regional vice presidents. However, the National Agreement provides no specific guidance on the number of hours granted to controllers participating in other types of union activities within their assigned facility. These include positions such as alternate facility representatives, technological representatives, legislative representatives, or safety representatives.

Controllers can also be designated to represent NATCA on special assignments outside their assigned facility, such as those assigned as technical representatives on National Airspace System project work groups. These technical representatives act as advocates for the controller workforce, while assisting the agency in developing new systems. Special assignments can include other kinds of representational positions, such as NATCA liaisons to regional or Headquarters offices, customer focus liaisons, and training liaisons. The National Agreement does not identify a specific amount of official time allowed for individuals participating on special assignments.

Partnership Activities. In 1990, FAA and NATCA agreed to establish a "partners" concept. The concept involved bringing together controllers and their union representatives as full partners with management representatives to identify problems and craft solutions to better serve the agency's customers and mission. The concept was carried out by forming teams of controllers and management representatives to address specific issues such as reducing operational errors or improving customer service. Each facility established the number of teams and the number of controllers and management representatives that would participate on each team. Official time is granted for partnership meetings and other activities related to partnership based on facility agreements.

## Official Time Granted to Principal Facility Representatives and NATCA Regional Vice Presidents Exceeded Guidelines in the National Agreement

At 11 of the 13 Air Traffic facilities visited, FAA granted more official time to principal facility representatives and NATCA regional vice presidents than the National Agreement authorized. The guidelines in the National Agreement allow principal facility representatives a maximum of 30 percent of their time for union activities. At 4 of the 11 sites, we found that principal facility representatives worked full time on union activities, and at the 7 other sites we found principal facility representatives worked at least 60 percent of their time on union activities. In most cases, we found these controllers were removed from the daily operational schedule and were not routinely controlling air traffic other than the minimum time required to remain current (16 hours per month). For example:

- The Chicago TRACON had 86 controllers on board as of March 1996. According to the National Agreement, the principal facility representative was eligible to receive 20 hours of official time per 2-week pay period (approximately 520 hours per year) to perform union activities. However, we found that the principal facility representative was removed from the daily operational schedule and allowed to work full time on union activities.
- Managers at the New York Center and Southern California TRACON allowed their principal facility representatives to perform union activities on a full-time basis, even though the National Agreement called for only 24 hours per 2-week pay period (approximately 624 hours per year) for each facility representative.
- Managers at the Atlanta, Miami, Oakland, and Chicago Centers, and the Hartsfield Tower allowed principal facility representatives to work between 72 and 92 percent of their time on union activities.

We also found that all three NATCA regional vice presidents at the regions visited worked full time on union activities even though the National Agreement authorizes only 50 percent of their time for union activities per 2-week pay period.

## Official Time Not Specified by the National Agreement but Granted at Facility Managers' Discretion

The National Agreement does not set limits on the number of hours that may be granted for union activities. The National Agreement leaves it up to the facility manager’s discretion, using language such as “. . . as deemed appropriate” and “unless prohibited by operational requirements . . . .” The following chart shows that, at the 13 facilities visited, we found facility managers granted approximately 92,550 hours<sup>3</sup> of official time to controllers for other types of facility representational duties, partnership activities, and special assignments in addition to the hours already granted to principal facility representatives and NATCA regional vice presidents.

Official Time Granted to Controllers at Facility Managers’ Discretion

<b>Air Traffic Facility</b>	<b>Other Facility Reps.</b>	<b>Official Time Granted</b>	<b>Partnership Activities</b>	<b>Official Time Granted</b>	<b>Special Assign.</b>	<b>Official Time Granted</b>
Atlanta Center	10	3,530	26	4,820	26	7,390
Chicago Center	21	6,820	1	1,440	0	0
Miami Center	8	7,050	32	5,280	1	2,080
New York Center	16	9,150	0	0	0	0
Oakland Center	13	5,490	17	920	5	450
Bay TRACON	0	0	0	0	3	1,780
Chicago TRACON	2	1,700	0	0	3	1,090
New York TRACON	12	6,460	2	2,290	13	1,440
Southern Ca. TRACON	18	5,750	24	3,990	9	4,190
Hartsfield Tower	2	240	9	580	19	4,000
JFK Tower	2	680	5	820	0	0
O’Hare Tower	3	1,870	0	0	8	580
San Francisco Tower	<u>1</u>	<u>60</u>	<u>4</u>	<u>410</u>	<u>2</u>	<u>200</u>
<b>Total</b>	<b>108</b>	<b>48,800</b>	<b>120</b>	<b>20,550</b>	<b>89</b>	<b>23,200</b>

---

<sup>3</sup> These hours do not include approximately 25,800 hours granted to principal facility representatives and NATCA regional vice presidents at the 13 sites visited.

We found facility managers did not effectively manage the number or types of positions designated to perform union activities. For example:

- At the New York Center, in addition to a full-time principal facility representative, we found that managers also granted 16 other controllers an additional 9,150 hours of official time for other facility representation. These positions included an assistant facility representative, a secretary, a treasurer, six area representatives, a safety representative, a legislative representative, a NATCA training coordinator, an Occupational Safety and Health Administration liaison, an oceanic representative, and a regional liaison. This additional time was granted even though New York Center incurred over \$2 million in overtime costs during FY 1996 to meet operational staffing requirements.

FAA places no limits on the subjects that can be considered under the partnership process. Consequently, facility managers placed no limits on the number of partnership teams that were developed or the number of controllers allowed to participate on these partnership teams. For example:

- At the Miami Center, in addition to a principal facility representative, an assistant facility representative, four area representatives, a legislative representative, and a plans and programs representative, facility managers also granted 32 other controllers approximately 5,280 hours of official time to participate on 8 partnership teams. These teams included a Facility Action Team, Customer Resource Team, Operations Errors Reduction Team, Administrative Team, and four Area Teams.

#### Total Time Granted for Union Activities at Sites Visited

At the 13 sites visited, FAA managers granted 295 controllers about 118,350 hours of official time in FY 1996 to perform facility representation, partnership, and special assignments. The number of hours granted is equivalent to 57 controllers working full time on union activities. The following chart shows the official time granted at each site visited and the equivalent number of full-time union representatives to the total number of controllers on board at each site.

Total Time Granted for Union Activities at Sites Visited

<b>Facility</b>	<b>Official Time Granted</b>	<b>Equivalent No. of Controllers<sup>4</sup></b>	<b>On Board As Of 03/31/96</b>
Atlanta Center	19,740	9.5	421
Chicago Center	12,000	5.8	428
Miami Center	15,960	7.7	266
New York Center	11,040	5.3	286
Oakland Center	8,520	4.1	253
Bay TRACON	3,030	1.5	72
Chicago TRACON	4,870	2.3	86
New York TRACON	13,520	6.5	216
Southern Ca. TRACON	16,020	7.7	229
Hartsfield Tower	6,320	3.0	93
JFK Tower	1,820	0.9	29
O'Hare Tower	4,530	2.2	50
San Francisco Tower	980	0.5	31
<b>Total</b>	<b>118,350</b>	<b>57</b>	<b>2,460</b>

The total number hours of official time granted at each facility was not directly correlated to the total number of controllers on board. For example:

- The Oakland Center, with 253 controllers on board, granted the equivalent of 1 full-time NATCA representative for every 62 controllers, while the Miami Center, with 266 controllers on board, granted the equivalent of 1 full-time NATCA representative for every 35 controllers.

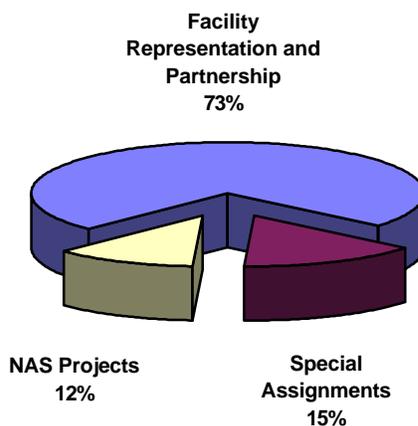
Nationwide Estimate of Official Time Granted. In response to our inquiries during the audit, FAA's Office of Air Traffic Resource Management requested each region to estimate the number of official hours that were granted to controllers to perform union activities during FY 1996. Headquarters guidance stated that managers should include "one-time" events of 8 hours or more, and that 1-year details should be reported as 2,080 hours. Each facility provided an estimate of the hours of official time granted based on past practices, partnership agreements, or supervisory input. However, in discussing FAA's estimate with the president of NATCA, he indicated that the estimate was not performed in consultation with union officials, and he questioned its accuracy.

---

<sup>4</sup>Based on 2,080 hours as the equivalent of one staff year or one full-time controller.

To determine the reliability of FAA's estimate, we performed several tests of the data used in FAA's estimate. Exhibit C contains our complete analysis of FAA's estimate. At the 13 sites visited, we reviewed monthly work schedules and daily logs to determine whether controllers were on the operational schedule or performing union activities. We also reviewed facility agreements and discussed time granted for union activities with facility managers and NATCA representatives. In addition, we determined that 93 percent of Air Traffic facilities responded to the Headquarters request and concluded that the remaining 7 percent, which were relatively small facilities, would not have significantly impacted FAA's total estimate. Since there was no other data available, we used FAA's nationwide estimate, as reported, as management's best representation of the total amount of official time granted by the agency for union activities in FY 1996.

According to FAA's estimate, agency managers granted a total of about 516,000 hours for union activities (the equivalent of 248 full-time controllers) during FY 1996. The following chart shows (according to FAA's estimate) the percentage of the total time granted for each category of union activity.



### Union Activity on National Airspace System Projects

Controllers assigned by NATCA to National Airspace System projects assist the agency in developing requirements and evaluating operational suitability of new systems from a user's perspective. In our review of FAA's FY 1996 estimate, we found controllers assisted the agency on various National Airspace System project work groups including the Standard Terminal Automation Replacement System (STARS), the Display

System Replacement (DSR), and the Voice Switching and Control System (VSCS).

This kind of management and union cooperation is necessary to ensure effective development and deployment of new systems. For example, in the Inspector General's October 30, 1997, testimony on STARS before the House Subcommittee on Transportation and Related Agencies Appropriations, we reported that significant human factors issues had not yet been addressed by FAA. This happened, in part, because user involvement had been limited during crucial design and development stages of STARS.

By comparison, in developing DSR, FAA had established a formal process with NATCA regarding user involvement during early system development stages. As a result, numerous human factors issues were identified during developmental stages of DSR and a mechanism currently exists to resolve any remaining open issues.

Although NATCA representation on National Airspace System projects is necessary, FAA has no management controls to ensure that sufficient time is allocated to support these activities. For example, of the 516,000 hours of official time granted for union activities in FY 1996 (according to FAA's estimate), only 12 percent (approximately 60,000 hours) were devoted to assisting the agency on National Airspace System projects.

Further, since FAA does not have controls over granting and tracking official time for union activities, it cannot determine if this expertise is effectively allocated among the approximately 130 National Airspace System projects being developed. For example, of the 60,000 hours spent assisting the agency on all National Airspace System projects, over 23,000 hours were to assist the agency in developing and implementing VSCS alone. To ensure that an adequate amount of official time is allocated for assisting the agency on developing and managing the National Airspace System, FAA will need to implement management controls over granting and tracking official time for National Airspace System projects as well as time granted for all other union activities.

Comparison to Other Federal Agencies for Official Time Granted. We compared the number of hours of official time granted by FAA for union activities (according to FAA's estimate) to the number of hours granted by other Federal agencies as reported by GAO. In GAO's testimony on "Union Activity at the Social Security Administration" (GAO/T-HEHS-96-150), dated June 4, 1996, GAO reported on the official time granted by the

Social Security Administration (SSA) for union activities in FY 1995. GAO also reported on official time granted by the Internal Revenue Service (IRS) for FY 1994. According to GAO officials, the hours reported included official time granted for both representational and partnership activities.

The following chart shows that FAA is granting NATCA the equivalent of one representative to perform full-time union activities for every 59 represented employees, whereas SSA and IRS allow the equivalent of one representative for every 268 and 455 represented employees, respectively.

Agency	Total Hours Granted	Equivalent Number of Representatives <sup>5</sup>	Total Represented Employees	Equivalent No. of Representatives to Represented Employees
FAA (NATCA)	516,000	248	14,600	1 to 59
SSA (3 Unions)	404,000	194	52,000	1 to 268
IRS (1 Union)	442,000	213	97,000	1 to 455

The total hours of official time granted by Air Traffic to controllers to perform union activities exceeded the hours granted for union activity by SSA and IRS even though Air Traffic had fewer represented employees. In our opinion, the variances in the equivalent number of representatives to represented employees may be due, in part, to the number and types of facilities, and distribution of the agencies' workforces. For example, during January 1994, 39 percent of the IRS workforce was located at 10 service centers. In contrast, FAA's controller workforce is located at over 366 Air Traffic Control facilities while SSA's workforce is located at over 1,500 facilities.

### Management Controls Over Granting and Tracking Official Time

FAA did not have adequate management controls over granting and tracking official time to perform union activities. We found facility managers granted official time to controllers to perform union activities without knowing details about the assignments. For example:

- Managers at the Atlanta Center granted 26 controllers approximately 7,390 hours to perform special assignments representing NATCA on

---

<sup>5</sup>To identify the equivalent number of full-time representatives from the total hours granted, we divided the total hours granted by 2,080 (hours in one staff year).

FAA and industry committees, customer focus groups, and numerous National Airspace System projects as well as liaisons to FAA regional and Headquarters Offices. However, managers at Atlanta Center had no documentation showing what the controllers' duties would be, how long their assignments would last, or where their duties would be performed.

In fact, at the 13 sites visited, we found that of approximately 23,200 hours of official time granted to controllers for special assignments as union representatives, only 20 percent (4,424 hours) were supported by documentation.

At the sites where facility managers granted principal facility representatives more official time than authorized by the National Agreement, we found no written request that justified the necessity of the additional hours. For example:

- The Chicago O'Hare Tower had 50 controllers on board as of March 1996, and according to the National Agreement, the principal facility representative was authorized 16 hours per 2-week pay period to perform union activities. However, the principal facility representative was allowed to work full time on union activities, and the facility manager could provide no justification for the additional hours.

We could not determine whether the amount of official time granted at managers' discretion for union activities was based on a justifiable need. Further, even if FAA had controls over granting official time for union activities, FAA could not determine whether the controls were effective because the agency does not have a system to track the official time granted.

Inaccurate Reporting of Official Time for Union Activities. With the expiration of the Federal Personnel Manual in December 1993, the Office of Personnel Management (OPM) requirement for tracking official time granted to labor organizations was canceled<sup>6</sup>. Consequently, provisions of FAA Order 3710.15, "Recording the Use of Official Time by Labor Organizations and Other Employee Representatives for Representation Functions," requiring managers to track official time for union activities were no longer followed.

---

<sup>6</sup>Congress has subsequently directed OPM to compile information from agencies on the use of official time and other services by Federal employee unions for the first six months of calendar year 1998. OPM is to issue a report no later than October 1, 1998.

Because FAA did not track the number of hours granted, FAA could not accurately determine the amount of time spent on union activities. For example, during FAA's FY 1997 Appropriation Hearings, FAA reported that NATCA facility representatives spend approximately 16 percent of their time on union activities. Had FAA been tracking official time spent on union activities, it would have known that representatives are spending significantly more than 16 percent of their time on union activities. Our review of the 13 principal facility representatives identified that they spend, on the average, 72 percent of their time on union activities.

The lack of a tracking system has also hindered the Department of Transportation's (DOT) ability to accurately report time spent on union activities. On August 26, 1996, the Chairman of the House Subcommittee on Civil Service, requested DOT to provide information on the number of employees, the total number of hours those employees spent performing union related representational work on official time, and the total cost of such activity. In response, on November 1, 1996, the Secretary stated that much of the information requested by the Chairman was kept at the local level, and the Department did not have a separate data base from which to answer most of his questions. This occurred because information was not consistently maintained throughout the Department since there was no requirement to do so. Consequently, the Department could only provide the Subcommittee with an indication of the range of time spent by employees performing union-related representational work in the various operating administrations.

Comparison of FAA's Management Controls to Controls in Other Union Agreements. To compare controls identified in the National Agreement between FAA and NATCA over official time for union activities with controls over official time in other labor agreements, we reviewed agreements with General Motors, Boeing, the New York and Chicago Transit Authorities, the State of California Correctional Peace Officers Association, the Canadian Air Traffic Controllers Association, and the United States Coast Guard. We limited the comparison to the type of controls placed on official time for union activities by each agreement.

Official time for union activities was generally authorized in each agreement. However, the seven agreements contained more management controls over the use of official time for union activities than the agreement between FAA and NATCA. For example, the Agreement between Boeing and the International Association of Machinists and Aerospace Workers requires each union steward to notify and obtain permission from their supervisor before leaving work and performing union business. FAA

generally does not require principal facility representatives to notify their supervisors before performing union activities. FAA facility managers grant official time in advance and do not review the need or impact on operational staffing requirements on a daily basis.

### Impact on Operational Staffing Requirements

According to NATCA, official time granted for union activities had no effect on the safe or efficient movement of air traffic. However, we found managers routinely granted more time for union activities than required by the National Agreement even though the loss of controllers affected their ability to meet operational staffing requirements. Of the 13 sites visited, 5 were understaffed by a total of 111 controllers, yet facility managers granted approximately 39,980 hours of official time (the equivalent of 19 full-time controllers) beyond what was specified in the National Agreement. For example:

- The Chicago Center is one of seven hard-to-staff facilities providing a 10-percent incentive pay to attract and retain controllers. Although the facility was understaffed by 58 controllers according to FAA's Staffing Standards and had the highest volume of air traffic in the country, the principal facility representative was allowed to spend 80 percent of his time on union activities and the regional vice president, who was assigned to the Center, was allowed to work full time on union activities. In addition, 22 other controllers were granted approximately 8,260 hours of official time to perform other representational duties for NATCA.

Managers also routinely called in controllers or scheduled overtime to replace controllers performing union activities. At the 13 sites visited, we found that overtime costs ranged from \$92,000 to over \$2 million in FY 1996. In determining the causes for this overtime, facility managers stated that the two main reasons were understaffing and sick leave. However, we also found a direct correlation between granting controllers official time for union activities and the use of overtime. At 8 of 13 sites visited, we tested daily staffing levels for work groups ranging between 39 and 83 controllers. We found that, on the average, for the 8 facilities, 11 controllers were off the daily operational schedule each day to perform union activities while 8 controllers were scheduled to work overtime to meet operational needs. In some cases this ratio was one-for-one. For example:

- During a 31-day test period at the New York TRACON, we found, on the average, three controllers were off the daily operational schedule working on union activities each day while three controllers were scheduled for overtime.

Facility managers came to similar conclusions in two internal studies. The first study was conducted by the New York Center to apprise regional managers of the exact uses of human and fiscal resources at the facility. The Center projected that for the first and second quarters of FY 1996, a total of 2,494 8-hour shifts of overtime would be needed to meet the operational needs of the facility. Based on the study's results, 23 percent of these shifts (572) were needed to replace controllers taken off the daily operational schedule to perform union activities.

The second study, conducted by the New York TRACON, identified that NATCA and partnership duties were the third largest reason for overtime incurred during FY 1996, accounting for 16 percent (\$317,421) of the \$1.9 million in overtime costs incurred. Although both studies were conducted to answer repeated questions from regional Air Traffic management regarding the reasons for each facility's high overtime expenditures, neither study contained recommendations for change.

#### Assistance of Labor Relations Experts in Facility Negotiations

The National Agreement allows managers to use their discretion in granting additional time for union activities. However, FAA did not provide facility managers with the assistance of labor relations experts to negotiate complex local issues. For example, managers at several facilities stated that the justification for the additional hours granted facility representatives was due to past practices. According to FAA managers, these past practices are agreements made by prior management, which became standard operating procedures for the facility. Consequently, new managers felt compelled to continue the past practice. As a result, many facilities continued to allow the additional hours even though it impacted operational staffing requirements.

According to FAA labor relations specialists at the regions we visited, prior agreements that negatively impact facility operations can and should be changed. However, labor relations specialists at the four regions visited stated that they were not involved in negotiating or changing any agreements at the facility level. According to these specialists, their involvement was primarily limited to assisting facility managers in dealing with grievances.

## Conclusion

The amount of time FAA has granted for union activities has impacted the agency's ability to effectively and efficiently meet its operational staffing requirements. For example, during FY 1996, FAA estimated it granted about 516,000 hours of official time for union activities (the equivalent of 248 full-time controllers) yet requested authority in FY 1997 to hire 250 new controllers to meet operational requirements. Although this request was based on many factors, including anticipated attrition and projected increases in air traffic volumes, it is evident that the amount of official time FAA has granted for union activities was a contributing factor in FAA's need to hire additional controllers. Accordingly, FAA will need to identify and negotiate an amount of official time for union activities that addresses the needs and interests of controllers while allowing the agency to effectively manage Air Traffic resources.

## Recommendations

We recommend that FAA:

1. Limit official time granted to principal facility representatives and NATCA regional vice presidents to provisions identified in Article 2, Section 17 of the current National Agreement and require that any additional time granted be justified and approved with written documentation.
2. Establish controls over granting official time for union special assignments (including time spent on National Airspace System projects). At a minimum these controls should include a description of duties and length of assignment.
3. Reinstate requirements to track the number of controllers authorized to perform union activities and the amount of official time granted for those purposes.
4. Provide facility managers the assistance of labor relations experts when negotiating labor agreements for official time.
5. Identify and negotiate an amount of official time for union activities (excluding time spent on National Airspace System projects) that addresses the needs and interests of controllers while allowing the agency to effectively manage Air Traffic resources.



## Finding B. Placement of Air Traffic Controllers From Contracted Level I Towers

FAA did not realign its limited resources in an efficient and effective manner when contracting for the operation of Level I Towers. This occurred because FAA management entered into an agreement with NATCA that used controllers' preferences instead of staffing needs as the basis for reassigning controllers from contracted Level I Towers. As a result, approximately 56 percent of the 599 controllers relocated from Level I Towers during FYs 1994 through 1996 were reassigned to overstaffed facilities.

### Contracting Level I Towers

FAA classifies Towers into five levels based on the volume of air traffic. The levels are designated as I through V, with Level I Towers having the least volume of air traffic. In 1993, FAA conducted a study evaluating the costs of Level I Tower operations. The study recommended that FAA convert Level I Towers that met criteria justifying continued operations from FAA to contract operations. According to the study, "The option allows the agency to realign its limited resources in a more efficient and effective manner . . . ."

On May 4, 1994, FAA signed an MOU with NATCA creating the Level I Contract Tower Direct Placement Program (Placement Program). The Placement Program outlined guidelines for reassigning controllers from contracted Level I Towers into other Air Traffic facilities and created a placement panel comprised of management and union officials. FAA agreed that the goal of the placement panel was to accommodate each controller's highest preference. Furthermore, according to terms of the MOU, the number of controllers that could be relocated to a particular facility would be based on the availability of ". . . meaningful training and meaningful work, not on the basis of staffing formulas." FAA also agreed that NATCA regional vice presidents would have a full voice in determining which facilities had available training and work.

In FY 1994, FAA began converting Level I Towers to contract operations. The following schedule shows the number of contracted Level I Towers from FY 1994 through FY 1996 and the number of controllers that were reassigned to other FAA Air Traffic facilities.

### Contracted Level I Towers by Fiscal Year

<b>Fiscal Year</b>	<b>Contracted Level I Towers</b>	<b>No. of Controllers Reassigned</b>
1994	25	169
1995	37	239
1996	26	191
<b>Total</b>	<b>88</b>	<b>599</b>

In September 1994, GAO issued a report entitled “Air Traffic Control: Status of FAA’s Plans to Close and Contract Out Low-Activity Towers” (GAO/RCED-94-265). GAO recommended that the FAA Administrator develop a strategy for reassigning controllers from contractor-operated Towers to understaffed facilities and for minimizing overstaffing at other Towers to be contracted out after FY 1994. In response, for FYs 1995 and 1996, FAA in conjunction with NATCA, identified 108 facilities that controllers from contracted Level I Towers could not choose for reassignment. However, of the 108 facilities, 53 were FSSs which do not control air traffic. Although no controllers were reassigned to these facilities, FAA’s actions did not prevent Level I controllers from relocating to overstaffed facilities.

#### Controllers Reassigned to Overstaffed Facilities

Controllers from contracted Level I Towers were not required to relocate to Air Traffic facilities that were understaffed. In fact, using FAA Staffing Standards for FYs 1995 and 1996<sup>7</sup>, we found that of the 599 controllers reassigned to other FAA Air Traffic facilities, 334 (56 percent) were placed in overstaffed facilities. For example:

- In the Southern Region, during FY 1996, 8 controllers from contracted Level I Towers were reassigned to the Miami and Atlanta Centers even though these facilities were overstaffed by 73 and 39 controllers, respectively. This happened despite the fact that 21 other facilities in the Southern Region remained understaffed by a total of 62 controllers. Although FAA’s 1993 study concluded that contracting Level I Towers would allow the agency to realign its limited resources in a more efficient and effective manner, the goal of the Placement Program was to accommodate each controller’s highest preference. Since the inception of

---

<sup>7</sup>Staffing Standards for FY 1994 were not available. In evaluating 1994 placements, we considered a facility overstaffed during FY 1994 if the facility exceeded FAA Staffing Standards during both FYs 1995 and 1996.

the Placement Program, 80 percent of the reassigned controllers went to the facility of their first choice. The MOU states:

In the event that none of the employee's preferences can be accommodated, the committee will consult with the employee to determine additional choices. The committee will assure that no reassignments will be made without mutual agreement between the employee and the [placement panel].

FAA did not require controllers to relocate to facilities that management identified as historically hard-to-staff. For example:

- In January 1996, the Eastern Region identified 14 Centers, TRACONs, and Towers throughout the region as historically hard-to-staff, yet controllers from contracted Level I Towers were not required to relocate to these facilities. In fact, since the inception of the Placement Program, only 3 of the 50 controllers placed in the Eastern Region were assigned to these 14 facilities.

Similar instances occurred throughout the country. Regional Air Traffic managers from the Southern Region stated that Level II Towers in the region were traditionally hard-to-staff. However, of the 170 controllers from Level I Towers that were reassigned to the region from FYs 1994 through 1996, only 16 relocated to Level II Towers. Similarly, during FY 1996, Level II Towers in the Great Lakes Region were understaffed by 29 controllers. However, 22 of the 34 controllers reassigned to the Great Lakes Region during this period went to overstuffed Level III or Level IV Towers.

In April 1996, FAA designated seven busy and large Air Traffic facilities in the Eastern, Great Lakes, and Western Pacific Regions as hard-to-staff locations. To assist these facilities in attracting and retaining controllers, FAA announced that controllers at the seven facilities would receive a 10-percent premium incentive pay. FAA estimated that the incentive program cost \$15.3 million in FY 1997. The Placement Program could have been used to alleviate some of the staffing shortages at these facilities. However, we found that only 4 of the 599 controllers reassigned from contracting Level I Towers went to these 7 hard-to-staff facilities.

### Unnecessary Expenditure of Funds to Relocate Controllers

FAA could have saved its limited permanent change of station (PCS) funds by more effectively reassigning controllers from Level I Towers to understaffed facilities within the local commuting area. Our review of

reassignments in FY 1996 found that of the 191 controllers reassigned from Level I Towers, 97 were within local commuting distance of other facilities with available positions. However, only 39 controllers chose to relocate to facilities within the local commuting area. Of the remaining 58 who relocated outside the local commuting area, 32 went to facilities that were already overstaffed.

FAA's PCS budget estimate for the Placement Program in FY 1996 was based on an average cost of \$33,800 per move. Using this cost, we estimate FAA could have saved over \$1 million in limited PCS funds during FY 1996 by requiring controllers from contracted Level I Towers to relocate to understaffed facilities within the local commuting area. For example:

- When the Level I Tower in Fullerton, California, was contracted, there were 10 other facilities within the local commuting area with a minimum of 26 available positions. However, of the six controllers displaced at Fullerton, only one relocated within the local commuting area. The remaining five were reassigned to facilities in Phoenix, Arizona; San Diego, California; Boise, Idaho; Seattle, Washington; and Greensboro, North Carolina. At the time, all but one of these facilities was overstaffed. For instance, one controller from the Fullerton Level I Tower relocated to the Seattle/Tacoma TRACON even though according to FAA Staffing Standards the TRACON was overstaffed by 19 controllers.

In addition, FAA did not use its limited PCS funds efficiently when relocating controllers among regions. For example, in FY 1996, two controllers from the Southern Region relocated to facilities in the Alaska Region while two controllers from the Alaska Region relocated to facilities in the Southern Region.

### FAA's Position

We sent a memorandum to the Director of Air Traffic on August 20, 1996, outlining our concerns about the Placement Program. The purpose of the memorandum was to alert FAA that the agency was not realizing all the benefits of contracting Level I Towers by realigning Air Traffic resources in an efficient and effective manner. We advised the Director of Air Traffic that controllers from contracted Level I Towers were being relocated to overstaffed facilities outside their region, even though openings were available within their regions. In addition, we indicated that unnecessary relocation expenses could be eliminated. We suggested that FAA review

the Placement Program and initiate timely corrective action before contracting additional Level I Towers.

The Director of Air Traffic responded on October 18, 1996, stating that he did not agree with our application of FAA's Staffing Standards as the sole determining factor in analyzing appropriate facility staffing and that FAA considered it a positive characteristic of the program that such a high percentage of affected controllers were relocated to their first choice of assignment. He also stated that the MOU serves as the cornerstone of the Placement Program and Air Traffic management would be reviewing program data over the next 3 months looking for opportunities for improvement.

In June 1997, we met with the Director of Air Traffic, who told us that he decided not to reopen the MOU with NATCA since there were only 16 Level I Towers left to be contracted and Air Traffic resources could be more productively used in preparing for the upcoming negotiations with NATCA on a new national agreement.

### Recommendation

We recommend that FAA reconsider its position regarding the Placement Program and reassign controllers from the remaining Level I Towers to understaffed facilities, particularly understaffed facilities within the local commuting area.

### Finding C. Impact and Implementation Negotiations for Changes in Air Traffic Control Technology

FAA managers entered into facility agreements or negotiations for implementing new technology that unnecessarily increased costs and delayed system commissioning dates. This occurred because facility managers did not consider all costs prior to signing agreements and were not accountable for system implementation costs associated with training. In addition, facility managers were not assisted by regional Air Traffic management and labor relations specialists during local negotiations. As a result, FAA incurred \$1.3 million in overtime and system delay costs to commission one system at the five Centers reviewed. Without cost data, increased oversight, and labor relations expertise, FAA has no assurance that future agreements negotiated for implementing new technology will not unnecessarily increase costs and cause delays in commissioning new systems.

#### Requirements to Hold Impact and Implementation Negotiations

Title 5, United States Code, states that an agency and a labor organization that has been accorded exclusive recognition shall meet at reasonable times and confer in good faith with respect to personnel policies and practices and other matters affecting working conditions. Article 7, Section 1 of the National Agreement between FAA and NATCA states that FAA must notify and negotiate with the union prior to making any changes in current working conditions resulting from implementation of new technology. These negotiations are referred to as impact and implementation (I&I) negotiations and can take place at the national, regional, or facility level.

#### Negotiations for Implementing the Voice Switching and Control System

Beginning in January 1994, FAA and NATCA signed 7 National MOUs outlining requirements for hardware, training, software, backup systems, and field testing for the implementation of the Voice Switching and Control System (VSCS) at FAA's 21 Centers. VSCS provides air-to-ground and ground-to-ground communication between controllers at Centers and pilots of en route aircraft, and replaces aging switching equipment and circuits. This new system represents the first in a series of major planned modernizations and enhancements in air traffic technology affecting Centers.

We reviewed implementation of VSCS at the Atlanta, Chicago, Miami, New York, and Oakland Centers. At the five Centers, facility managers and NATCA representatives held I&I negotiations regarding facility plans to train controllers on VSCS and the adequacy of current backup systems.

Negotiations for Training Controllers on VSCS. Facility managers and NATCA representatives at the Atlanta, Miami, New York, and Oakland Centers signed facility agreements that unnecessarily increased overtime costs to train controllers on VSCS. These agreements required that, during VSCS training, daily shifts would be staffed to agreed upon shift profiles<sup>8</sup>. NATCA's position was that VSCS training should have "zero" impact on controllers. Zero impact meant that controller leave plans would not be changed, shift coverage would not be below normal, and on-the-job training for developmental controllers would continue as usual. To achieve zero impact, NATCA requested that controllers removed from the daily operational schedule for VSCS training be replaced one-for-one using other controllers working overtime.

Although some overtime is necessary to train controllers on new systems, there are other options available to managers to meet operational staffing requirements. These options include assigning staff specialists and supervisors to work in place of controllers undergoing VSCS training, or staffing shifts with fewer controllers if air traffic volumes are projected to be relatively light. However, the agreements at the Atlanta, Miami, New York, and Oakland Centers restricted managers' abilities to use these options. For example:

- The New York Center expended \$498,464 in overtime to train approximately 286 controllers because the facility agreement on VSCS training required managers to use overtime to meet shift profiles before using supervisors, staff specialists, or NATCA representatives to work in place of controllers being trained on VSCS. In contrast, at the Chicago Center, which had no similar agreement, managers used other options as well as overtime and thus limited the facility's overtime expenditures to \$83,500 to train approximately 428 controllers on VSCS.

Although we cannot determine the extent that these agreements increased overtime costs, in our view, the restrictive language of the agreements was a significant factor for the amount of overtime incurred. At the four Centers, overtime incurred to train controllers on VSCS was \$687,000 (23 percent of

---

<sup>8</sup>Shift profiles are guidelines for the number of controllers to be scheduled on each shift.

the FY 1996 Facility and Equipment (F&E) reimbursements to Air Traffic facilities for controller training on all new systems).

In contrast, we found managers at one location did take effective action to limit overtime during VSCS training. Managers at the Oakland Center limited overtime expenditures by determining the costs of NATCA proposals before agreeing to them. Prior to facility VSCS training, managers had signed an agreement calling for the use of one-for-one overtime for 10 controllers removed from the daily operational schedule to plan VSCS course work and act as instructors. As a result, the facility incurred \$101,820 in overtime. NATCA representatives wanted to extend this agreement to cover all controllers during VSCS training. A cost projection performed by both management and NATCA representatives identified that extending the agreement to cover all controllers would cost over \$689,000 in overtime. Based on this cost projection, management did not agree to NATCA's proposal and limited overtime to \$119,000 to train approximately 253 controllers.

Facility Managers Were Not Accountable for Training Costs. FAA incurred unnecessary overtime during VSCS training because facility managers were not held accountable for costs resulting from agreements they signed. For example, with the exception of the Oakland Center, we found no evidence that managers considered the costs associated with union proposals before signing agreements. In addition, facility managers had little incentive for negotiating agreements that were cost effective because overtime incurred to train controllers on VSCS was reimbursed from Air Traffic Headquarters using F&E funds and not charged to facility operating budgets. According to budget officials from Air Traffic's Office of Resource Management, approximately \$3 million in F&E funds were used during FY 1996 to reimburse facility overtime costs associated with training controllers on several new systems including VSCS.

#### Lack of Assistance During Facility Negotiations

We found facility I&I negotiations for commissioning new systems sometimes involved issues that were outside the responsibility of facility managers. For example, facility negotiations at the Chicago and New York Centers regarding a permanent backup system to VSCS continued for 5 to 6 months even though this issue had been addressed at the national level. Regional Air Traffic managers and labor relations specialists were not involved in facility negotiations and did not provide timely assistance to facility managers. Consequently, facility managers engaged in lengthy negotiations over issues outside their responsibility, and commissioning of VSCS was unnecessarily delayed.

Negotiations for VSCS Backup Systems. VSCS commissioning dates for the Chicago and New York Centers were delayed up to 6 months while local management and union representatives held I&I negotiations on backup systems and software modifications that were outside the responsibility of facility managers. At these sites, NATCA representatives wanted to delay 24-hour operation of VSCS until the permanent backup system for VSCS was available.

FAA's plan was to utilize existing air-to-ground communication systems in each Center as the temporary backup system for VSCS until the planned permanent backup system was available. At the time of negotiations at Chicago Center, eight other Centers were operating VSCS on a 24-hour basis using the existing air-to-ground communication system available at Chicago Center as backup for VSCS. In addition, at the time of negotiations at New York Center, 17 other Centers were operating VSCS on a 24-hour basis using the existing air-to-ground communication system available at New York Center as backup for VSCS. Exhibit D contains the scheduled and actual deployment dates for VSCS at each of the 21 Centers.

At the Chicago Center, facility I&I negotiations over a VSCS backup system continued for 3 months without the assistance of regional Air Traffic management or labor relations specialists until an impasse was finally declared. In a memorandum dated February 20, 1996, the facility manager stated that NATCA's position had created an impasse that required expedient resolution at the regional level because of fiscal, training, and resource management concerns. In addition, the facility manager stated that, if 24-hour operation was not initiated within a reasonable period of time, the facility would be required to retrain all controllers and supervisors on VSCS.

The issue was elevated and resolved at the national level, when on March 7, 1996, Air Traffic Headquarters and NATCA signed a National MOU expediting the testing and development of the backup system and agreeing to install it in Chicago Center as soon as possible. In the interim, NATCA agreed to an immediate 24-hour operation of VSCS using the existing air-to-ground communication system as backup. At the New York Center, regional Air Traffic management agreed to delay 24-hour operation of VSCS until the permanent backup system was available. As a result of the delays in Chicago and New York, officials from the Integrated Product Team for En Route Systems stated that FAA incurred \$641,150 in delay costs to lease and maintain the existing communication systems.

Negotiations for Software Modifications. At the New York Center, commissioning of VSCS was further delayed when local NATCA representatives requested that a modification be made to VSCS software prior to 24-hour operations. The proposed modification had previously been analyzed by Air Traffic's Systems Development Division, who determined that the modification, which was unique to the New York Center, was neither beneficial nor cost effective for the system as a whole. However, local NATCA representatives insisted on the modification before agreeing to 24-hour operation of VSCS.

Although the proposed modification was outside the responsibility of the facility manager, facility I&I negotiations continued over the proposed modification, delaying VSCS commissioning date at the Center by another 2 months. An impasse was reached and the issue was elevated to the regional level and eventually to Headquarters where it was agreed to develop and install the modification at New York Center as soon as it was completed. In the interim, the union agreed to proceed with 24-hour VSCS operations without the requested modification. FAA estimates it will cost \$233,750 to modify VSCS software to include the modification at the New York Center.

Need for Labor Relations Specialists. FAA should ensure that regional Air Traffic management monitors all future I&I negotiations concerning implementation of new technology at the facility level and involve labor relations specialists in facility negotiations from the start. Had Air Traffic management and labor relations specialists provided timely assistance to facility managers at the Chicago and New York Centers during facility negotiations for implementing VSCS, issues that were outside the responsibility of facility managers could have been promptly elevated to the proper level for resolution. Accordingly, the 5- to 6-month delay at the Chicago and New York Centers could have potentially been avoided.

### New Systems Affecting Controllers

FAA faces significant challenges as it begins deploying two new systems that affect controllers. The Display System Replacement will replace aging display equipment and controller consoles at FAA's 21 Centers at a cost of \$1.05 billion. The Standard Terminal Automation Replacement System (STARS) will deploy new controller workstations and computer hardware to replace multiple types of processors and custom built displays at an estimated cost of \$940 million. STARS will be installed at approximately 172 air traffic control facilities and up to 20 support facilities. Both systems will require extensive I&I negotiations and coordination with

NATCA facility representatives. As such, FAA will need to ensure that future agreements resulting from facility I&I negotiations to deploy these systems do not unnecessarily increase costs and delay system commissioning dates.

### Recommendations

We recommend that FAA:

1. Require facility managers to determine the costs of I&I proposals prior to signing agreements and hold facility managers accountable for the costs incurred as a result of the agreements.
2. Ensure that regional Air Traffic management monitors all future I&I negotiations concerning the implementation of new technology at the facility level and involve labor relations specialists from the start of negotiations.

## Finding D. Facility Agreements on Changes in Working Conditions

Facility managers entered into agreements with NATCA establishing personnel policies that were not cost effective or an efficient use of personnel. This occurred because managers did not obtain and evaluate data identifying the impact their decisions had on operations and were not provided adequate labor relations training or assistance when negotiating workplace issues. In addition, Air Traffic Headquarters and regional management did not provide adequate oversight of facility agreements.

### Negotiating Changes in Working Conditions

According to the National Agreement between FAA and NATCA, personnel policies, practices, and matters affecting working conditions shall not be changed by FAA without prior notice to, and negotiation with, the union. At each site visited, we found that managers negotiated a wide range of changes in working conditions, including staffing profiles, color schemes of new buildings, alternate work schedule policies, prime time leave policies, types and prices of vending machine foods, and meal and break policies. Managers stated that failure to negotiate a change in working conditions with union representatives could result in a grievance. Under the provisions of Article 9 of the National Agreement, NATCA representatives may grieve any management changes made to working conditions without prior notice to and negotiation with the union.

### Facility Agreements Were Not Cost Effective or An Efficient Use of Personnel

Based on our discussions with facility managers and a review of facility agreements at the sites visited, we concluded that facility managers sometimes entered into agreements on changes in working conditions in order to avoid grievances and foster an environment of harmonious labor relations within the facility. In our review of facility agreements at 13 sites, we found agreements that were not cost effective or an efficient use of personnel.

FAA came to similar conclusions in a national review of facility agreements. In August 1996, approximately 5 months after our audit began, FAA appointed a team of managers and labor relations specialists to review all facility agreements at each of FAA's nine regions.<sup>9</sup> The team reviewed 924 agreements and concluded that 542 (59 percent) needed to be modified

---

<sup>9</sup> FAA's review did not include partnership agreements.

or rescinded because they conflicted with the National Agreement or were extremely costly to FAA.

At the 13 sites visited, we found local agreements covering three issues that were typical of those identified:

- (1) time-off awards for controllers to come to work;
- (2) alternate work schedule policies allowing credit hours to be earned without prior management approval; and
- (3) staffing daily shifts to a specific number of controllers regardless of necessity.

### Time-Off Awards

Time-off awards are a management tool to recognize exceptional employee performance. The National Agreement between FAA and NATCA encourages managers to use time-off awards as a means for rewarding employee contributions and productivity. Within the Federal Government, time-off awards are normally granted on the basis of a suggestion, invention, superior accomplishment, productivity gain, or other personal effort that contributes to the efficiency, economy, or other improvement of Government operations. However, at the Atlanta Center, Chicago TRACON, and Chicago O'Hare Tower, managers entered into facility agreements with NATCA representatives that allowed controllers to receive time-off awards for coming to work.

Due to changes in working conditions brought about by preparations for the Olympics in Atlanta and the move of both the Chicago TRACON and the Chicago O'Hare Tower to new facilities, time-off awards were negotiated as part of a change in working conditions. Although managers at the three sites stated these awards were not given for "showing up to work," the only requirement for receiving an award was attendance at work. The basis of the three time-off awards programs contained no description of contributions toward increased productivity or performance during the award period. For example:

- At the Atlanta Center, time-off awards were given for work during the 1996 Summer Olympics. The only requirement for obtaining the award was for every 4 hours an employee worked they would be eligible for a 1-hour time-off award. At the Chicago TRACON and Chicago O'Hare Tower, time-off awards were given for work during the transition to new facilities. The requirement for obtaining the award was for every 5 consecutive days an employee worked they would become eligible for a 10-hour time-off award.

As a result of the three facility agreements, FAA awarded a total of 27,534 hours of time off (an average of 36 hours for each employee) at the 3 facilities. The salary value of the time-off awards granted by the 3 facilities was approximately \$991,000 (23 percent of the estimated total time-off awards granted by FAA during FY 1996).

### Alternate Work Schedule Policies

Under provisions of Article 34 of the National Agreement between FAA and NATCA, managers at the Atlanta Center, New York Center, and New York TRACON negotiated agreements with NATCA representatives covering facility alternate work schedules, including policies concerning credit hours<sup>10</sup>. Article 34, Section 7 of the National Agreement states that “credit hours are worked at the election of the employee after approval by the Employer.” However, facility managers at the three sites signed agreements granting blanket preapproval for controllers to earn credit hours. In each of the three agreements, controllers could choose to work 2 credit hours before or after their regular 8-hour shift without obtaining supervisory approval.

The Atlanta Center agreement granted blanket preapproval for credit hours earned in conjunction with a normal shift between the core hours of noon and 5 p.m. The New York TRACON’s policy mirrored Atlanta’s, except core hours were 6 a.m. to 11 p.m. At the New York Center, credit hours were preapproved between the core hours of 7:00 a.m. and midnight, with the prerequisite that management receive 1 hour advance notice. Consequently, supervisors were unable to adequately control or plan for the use of controllers working credit hours. For example, managers at one facility stated that supervisors were often given only 10 minutes’ notice at the beginning of a shift that a controller was working credit hours, and they were “hard-pressed” to find meaningful work for that controller to perform.

We tested periods when credit hours were earned and found controllers were controlling aircraft only 30 percent of the time during these periods. For example:

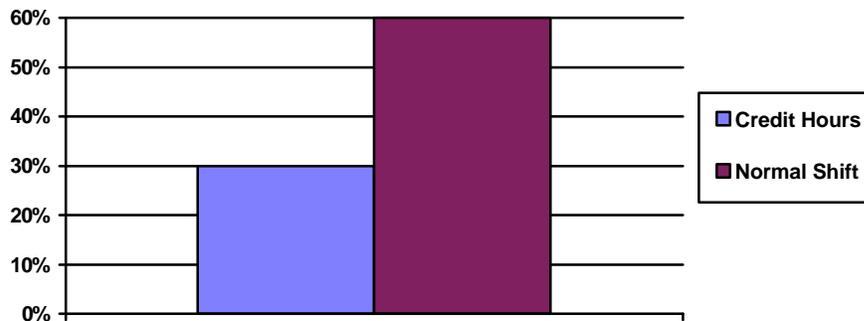
- At the New York Center, we analyzed 160 credit hours earned by 36 controllers during a 1-month period and found that only 47 of the

---

<sup>10</sup>Credit hours are any hours worked in excess of an employee’s basic work requirement which are worked at the election of the employee and are subject to prior management approval. Once earned, credit hours may be used like annual leave.

160 credit hours were earned while logged on radar positions<sup>11</sup>. In this example, the controllers were on radar positions controlling air traffic only 30 percent of the time when they were earning credit hours. In contrast, as shown in the chart below, the facility average for time-on-position during normal shifts is 60 percent.

TIME-ON-POSITION  
Credit Hours Vs. Normal Shifts  
New York Center, March 1996



FAA internal reviews have also questioned the efficiency of granting blanket preapproval for controllers to earn credit hours. For example, the Manager of FAA's Air Traffic Evaluations Staff presented the results of a full facility evaluation at the New York TRACON on July 19, 1996. FAA's evaluators found that the facility's credit hour policy was not in the best interest of the facility stating:

This static pre-approval policy implies that there is always a justifiable need. The impact of credit hours, when combined with an obligation for prime-time leave, appears to drive the expenditure of overtime resources at the facility on a continual basis.

As a result of the three facility agreements, in FY 1996 controllers and other employees at the three sites earned over 52,000 credit hours having an approximate salary value of \$1.9 million. The 52,000 hours are the equivalent of having 25 additional full-time controllers on board, even though 2 of the 3 sites were already overstaffed by a total of 46 controllers.

### Shift Staffing Requirements

---

<sup>11</sup>We limited this test to credit hours earned in conjunction with the beginning or end of a normal 8-hour shift.

At the Chicago O'Hare Tower and New York TRACON, managers entered into local agreements that required them to staff daily shifts to specific negotiated numbers regardless of operational conditions. Consequently, supervisors had no flexibility to determine if they could operate with less staff based on operational conditions such as clear weather or projected light volumes of air traffic.

At the Chicago O'Hare Tower, managers signed an agreement with NATCA as part of negotiations for relocating the Tower to a new facility. The agreement specified there would be a minimum of 10 controllers on each day shift, 11 on each evening shift, and 3 on each midnight shift. Consequently, if staffing fell below these levels for any reason, overtime was automatically used. We tested compliance with the terms of the agreement and found that, on the average, shifts were scheduled and staffed to the agreement requirements. On the average, two controllers were called in on overtime each day to replace two controllers who called in sick.

At the New York TRACON, managers entered into a similar agreement. Like the Chicago O'Hare agreement, the New York TRACON agreement required a specific number of controllers for each shift. When preparing the schedule, overtime was scheduled one-for-one for controllers on detail or leave. However, if shifts actually commenced with less than the minimum requirements, deficiencies were dealt with on a case-by-case basis between the facility managers and NATCA representatives. By consensus, they decided whether or not to call for additional staff on overtime.

According to an internal study done by the New York TRACON, approximately 65 percent of all shifts were staffed to the agreed upon numbers. Facility managers told us that this percentage was not higher because, in many cases, controllers were already scheduled to work 6 days a week and were simply unavailable for any additional overtime. In our view, these types of agreements contribute to unnecessary expenditures of overtime.

### Managers Did Not Obtain Necessary Cost Data Associated with Proposals

Managers entered into the agreements on time-off awards, credit hours, and shift staffing requirements that were not cost effective or an efficient use of personnel because they had not obtained necessary cost data associated with union proposals before agreeing to binding terms. For example, in negotiating time-off awards, managers stated they entered into these

agreements as a means of conserving projected overtime costs and encouraging attendance during special events. However, managers did not consider the actual cost of the time-off awards or the future costs of staffing when controllers used these awards. For instance, managers at the Atlanta Center stated the time-off awards potentially saved \$240,000 in overtime, yet the salary value of the time off awarded was \$577,870.

Managers also told us they granted blanket preapproval for controllers to earn credit hours as a means of meeting operational requirements while controlling overtime. However, managers failed to control or monitor credit hours granted because they did not consider credit hours an actual cost such as overtime. In our opinion, facility managers should be held accountable for all costs incurred, including overtime, credit hours, and award hours.

### Inadequate Labor Relations Training

FAA only requires Air Traffic supervisors and managers to take approximately 4 hours of labor relations training before negotiating binding agreements with union representatives. Newly appointed supervisors are required to take Leadership Development Program (LDP), Phases I and II. However, according to instructors of these courses, LDP-I contains only 4 hours of labor relations training and LDP-II contains no specific training on labor relations.

We identified four other courses taught at the FAA Center for Management Development that are related to labor relations. However, participation in these courses is voluntary. In contrast, each NATCA principal facility representative receives 40 hours of official time for labor relations training as required by the National Agreement between FAA and NATCA. To ensure that Air Traffic managers are able to negotiate skillfully and equitably, FAA should provide all Air Traffic supervisors and managers

with labor relations training that is commensurate with their NATCA counterparts.

### Inadequate Oversight of Facility Agreements

Air Traffic Headquarters and regional management did not provide adequate oversight of facility agreements. We found that both Air Traffic Headquarters and regional management had no knowledge of the number or types of agreements being signed by facility managers. Facility managers were not required to submit proposed agreements to regional managers for

review prior to signing them. As a result, both Headquarters and regional management were unaware of the number or extent of facility agreements and had little control over costs incurred as a result of the agreements.

In response to FAA's August 1996 review of facility agreements, Headquarters Air Traffic instructed regions to rescind agreements that were in clear conflict with the National Agreement by March 1997. In addition, regions were to negotiate changes by June 1997 to those agreements that were wasteful of resources or inappropriately expanded the National Agreement. Eight regions did not meet the March 1997 deadline to rescind agreements, and four did not meet the June 1997 deadline to negotiate changes to wasteful or inappropriate agreements.

In our view, one of the reasons managers had difficulty rescinding or modifying these agreements was because not all the agreements contained expiration dates or reopener clauses. Expiration dates or reopener clauses allow both parties to either discontinue a current agreement or modify its terms. Without expiration dates or reopener clauses, facility managers must sometimes enter into lengthy negotiations to discontinue or modify existing agreements. Often these negotiations result in an impasse that must be escalated to the regional level for resolution. During this lengthy process, inappropriate or costly policies contained in existing agreements remain in effect.

To ensure that future facility agreements do not conflict with the National Agreement and are cost effective, Headquarters and regional management must provide better oversight. In our opinion, FAA should require that regional Air Traffic managers periodically review all agreements within their region to identify agreements that conflict with the National Agreement or are extremely costly to the agency and modify or rescind those agreements in a timely manner. In addition, regional managers should ensure that all future facility agreements contain expiration dates or reopener clauses.

### Requirements of the FAA Reauthorization Act

Developing adequate cost determinations for proposed facility agreements, providing increased labor relations training to facility managers, and increasing regional oversight of facility agreements are important considerations in achieving successful labor-management agreements. This will become even more important in future negotiations, since the FAA Reauthorization Act has expanded the scope of negotiable workplace issues to include staffing, compensation, and benefits. Accordingly, FAA will need to provide Air Traffic managers with the necessary labor relations

expertise and training to ensure that future agreements are equitable to controllers as well as to the agency.

### Recommendations

We recommend that FAA:

1. Require facility managers to obtain and evaluate cost data associated with proposals concerning changes in working conditions before entering into agreements with unions.
2. Require that regional Air Traffic Divisions periodically review agreements within their region to identify agreements that conflict with the National Agreement or are extremely costly to the agency and modify or rescind those agreements in a timely manner.
3. Provide Air Traffic supervisors and managers with increased labor relations training.
4. Require that all future facility agreements contain expiration dates or reopener clauses.

### III. FAA INITIATIVES TAKEN DURING THE AUDIT

During our audit, we periodically briefed FAA officials on the issues presented in this report. To FAA's credit, Air Traffic management, in conjunction with FAA's Office Labor and Employee Relations, has taken timely action by initiating corrective actions to address our concerns on (1) official time for union activities, (2) labor relations expertise and training, and (3) Headquarters oversight.

Official Time Granted for Union Activities. In September 1997, Air Traffic issued guidance to facility managers on "returning to contractually authorized official time for union representatives." According to this guidance, only those positions identified in the National Agreement, i.e., NATCA regional vice presidents and facility representatives, will be granted official time in accordance with provisions of the Agreement. All other official time requested by the union for work on union activities must be justified and documented. In addition, FAA is initiating a tracking program to collect, analyze, track, and review requests for official time for representational duties.

Air Traffic management has also initiated efforts to broaden the authority of union representatives working on National Airspace System project work groups. The purpose of this initiative is to reduce the delays and costs associated with required I&I negotiations to implement new equipment at each facility. This initiative will grant authority for union representatives working on National Airspace System project work groups to enter into agreements, on behalf of the union, during design and testing of new equipment. Currently, these representatives serve in an advisory capacity only.

Labor Relations Expertise and Training. FAA has hired a consultant to develop a series of labor relations workshops for Air Traffic management. According to FAA, the intent of these workshops is “. . . to provide a good foundation in traditional labor management relations to increase individual manager’s ability to work with the union under all conditions, e.g. collaborative, traditional, confrontational, etc.” FAA also intends to use the material developed to improve existing supervisory labor relations courses currently offered at the Center for Management Development. Air Traffic and the Center for Management Development are developing a series of computer-based labor relations training modules for use in the field by all facility managers and first-line supervisors.

FAA stated that each regional Air Traffic Division has been provided funds to select one labor relations specialist. According to FAA, “these specialists are expected to be the division’s focal point for labor relations issues and act as a resident expert to provide the division managers counsel on issues dealing with the unions.” FAA also plans to use these specialists to maintain a nationally consistent approach in labor relations decisions regarding similar situations.

Headquarters Oversight. Air Traffic management has prepared a labor relations strategic plan calling for better leadership, internal communication, organizational structure, and training initiatives. Since developing this plan, Air Traffic has issued guidance to facility managers for correcting problems we identified concerning alternate work schedule policies and time-off awards. In addition, Air Traffic plans to implement new staffing and cost analysis software for facility managers to use in evaluating operational staffing requirements.

Although the actions planned or taken by FAA represent an important step in improving the management of Air Traffic resources, FAA will need to ensure that initiatives are fully developed and implemented, and that future actions address all the issues and recommendations identified in this report.

Timely action will be even more significant should Congress and the Administration adopt recommendations of the National Civil Aviation Review Commission to reorganize Air Traffic Services into a Government Performance Based Organization. It is unlikely that a successful transition into this type of organization could occur unless FAA (1) establishes controls over granting and tracking official time for union activities; (2) requires managers to collect, analyze, and evaluate data on the cost and staffing implications of proposed agreements; (3) holds managers accountable for their decisions; (4) provides expert assistance and sufficient labor relations training to managers; and (5) provides sufficient oversight of agreements to ensure that they are cost effective and efficient use of resources.

**Activities Visited**

FAA Headquarters

Office of Air Traffic Services  
Office of Labor and Employee Relations

Field Locations

Eastern Region Headquarters  
Leesburg Automated Flight Service Station  
New York Automated International Flight Service Station  
New York Center  
New York JFK Tower  
New York TRACON

Great Lakes Region Headquarters  
Chicago Center  
Chicago O'Hare Tower  
Chicago TRACON

Southern Region Headquarters  
Atlanta Center  
Atlanta Hartsfield Tower  
Miami Center

Western Pacific Region Headquarters  
Oakland Automated International Flight Service Station  
Oakland Center  
Oakland TRACON  
San Francisco Tower  
Southern California TRACON

## EXHIBIT B

**Air Traffic Operations, Facility Ranking, and Staffing Levels of  
Activities Visited**

<b>Facility</b>	<b>1996 Air Traffic Operations (000)</b>	<b>Facility Ranking<sup>1</sup></b>	<b>Controllers On Board<sup>2</sup></b>	<b>FY 1996 Staffing Standard<sup>3</sup></b>	<b>Over/ Under Staffed</b>
<b>CENTERS</b>					
Atlanta	2,453	3	421	382	+39
Chicago	2,894	1	428	486	-58
Miami	1,958	10	266	193	+73
New York	2,192	7	286	279	+7
Oakland	1,571	16	253	284	-31
<b>TRACONS</b>					
Chicago	1,151	3	86	87	-1
New York	1,895	2	216	235	-19
Oakland	1,026	5	72	68	+4
Southern Ca.	2,292	1	229	194	+35
<b>TOWERS</b>					
Atlanta Hartsfield	761	3	93	95	-2
Chicago O'Hare	909	1	50	49	+1
New York JFK	362	29	29	26	+3
San Francisco	442	19	31	26	+5
<b>FSSs</b>					
Leesburg	213	9	67	48	+19
New York	112	44	42	35	+7
Oakland	207	22	47	42	+5
<b>Total</b>	<b>20,438</b>		<b>2,616</b>	<b>2,529</b>	

<sup>1</sup>Ranking based on the number of air traffic operations for the facility type (e.g. Centers, TRACONS and Towers). Source: FAA Administrator's Fact Book - October 1996.

<sup>2</sup>Full Performance Level and Developmental air traffic controllers, excluding supervisors, as of March 1996.

<sup>3</sup>Staffing standards for Full Performance Level and Developmental air traffic controllers, excluding supervisors, as of March 1996.

**Analysis of FAA's Estimate of Official Time Granted for Union Activities**

On May 29, 1996, FAA's Office of Air Traffic Resource Management requested that each regional Air Traffic Division estimate the number of official duty hours that would be granted in FY 1996 to controllers performing union activities. FAA Headquarters guidance stated that managers should include "one-time" events of 8 hours or more and a 1-year detail would be reported as 2,080 hours. Since FAA has no system for tracking the amount of time spent on union activities, facility managers estimated the total number of hours based on past practices, written or verbal agreements, and partnership programs. Air Traffic managers estimated that they granted about 516,000 hours of official time to controllers during FY 1996 to perform union activities as NATCA representatives.

We performed several tests of the data used in FAA's estimate. At the 13 sites visited, we reviewed monthly work schedules and daily logs to determine whether controllers were on the operational schedule or performing union activities. We also reviewed facility agreements and discussed time granted for union activities with facility managers and NATCA representatives. We compared the results of our tests at the 13 facilities visited to the time reported in FAA's estimate. Although 29 facilities were not included in FAA's estimate, the potential amount of time granted by these facilities would not have materially affected FAA's total estimate, since these were relatively small facilities with only about 440 controllers in total. However, we found that managers' methods of estimating time varied. Some managers reported full time using 2,080 hours per year (40 hours x 52 weeks) while others apparently reported full time taking into consideration other factors such as controller currency requirements. For example, at the 13 sites, 3 facilities reported 2,080 hours for each facility representative while another took into account time worked to meet currency requirements (16 hours per month) thus reporting 1,888 hours of union-related time for the principal facility representative.

Despite the variances in managers' methodology, the total hours reported are management's representation of the amount of official time spent by controllers on union activities. Accordingly, we used the hours reported by FAA, as no other data were available, and we used 2,080 hours as the basis for estimating the total number of staff years granted by the agency for union activities.

**VSCS Deployment Schedule**

SITE	COMMISSION DATE		DELAY (in days)
	Scheduled	Actual	
Seattle	4/29/95	6/12/95	43
Salt Lake City	5/31/95	6/13/95	12
Denver	6/30/95	8/5/95	35
<b>Atlanta</b>	<b>8/16/95</b>	<b>10/27/95</b>	<b>71</b>
Anchorage	10/31/95	9/29/95	-32
<b>Chicago</b>	<b>11/27/95</b>	<b>4/18/96</b>	<b>142</b>
Ft. Worth	12/31/95	1/18/96	17
Washington	1/27/96	1/27/96	0
Houston	2/20/96	2/20/96	0
Boston	3/26/96	6/28/96	93
Cleveland	4/28/96	4/28/96	0
<b>New York</b>	<b>5/26/96</b>	<b>11/20/96</b>	<b>177</b>
Kansas City	6/25/96	6/25/96	0
Memphis	7/30/96	7/30/96	0
Albuquerque	8/23/96	8/23/96	0
<b>Oakland</b>	<b>9/22/96</b>	<b>11/18/96</b>	<b>56</b>
Minneapolis	10/28/96	10/28/96	0
<b>Miami</b>	<b>11/19/96</b>	<b>11/19/96</b>	<b>0</b>
Los Angeles	12/21/96	12/21/96	0
Indianapolis	1/21/97	1/21/97	0
Jacksonville	2/18/97	2/18/97	0

(Sites visited are in boldface.)

**Major Contributors To This Report**

The following is a listing of the audit team members who participated on the Audit of Air Traffic Controller Workforce Labor Agreements.

David Dobbs	Program Director
Robert Prinzbach	Project Manager
Frank Ochs	Auditor
Dan Raville	Auditor
Frank Schutz	Auditor
Martin Bailey	Auditor
Melissa Pyron	Auditor