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A Costly Delay: Air Traffic Controllers' Expensive New Strategy

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On Wednesday, the House of Representatives will vote on fiscal responsibility and the integrity of the existing federal statutes that bind and guide them. At issue is legislation (H.R. 5449) from a bipartisan group of Members to change federal law to boost the salaries and benefits of the Federal Aviation Administration's (FAA) air traffic controllers. The controllers seek a new contract that will further increase their already substantial salaries and benefits, but have rejected the FAA's final offer. According to the FAA, controllers now average \$173,000 per year in pay and benefits, and under the agency's final and best offer the average wage and benefit package would rise to \$187,000 within five years.

The controllers' generous compensation package stems from legislation passed in 1996 that gave them the privilege to negotiate pay, benefits, and work rules – a privilege few other federal workers (including congressional staff) possess. In response, the controllers negotiated a new contract in 1998 that made them some of the best paid workers in America. That contract expired on September 5, 2005, and subsequent negotiations between the controllers' union and the FAA failed to reach an agreement on a new contract. On April 5, 2006, the FAA declared an impasse.

Under the 1996 federal law, this declaration sent the dispute to Congress, which had 60 days to act on the issue. If Congress did not act, the FAA could implement its final and best offer. And Congress did not act during this 60-day period – indeed, a discharge petition in the House failed to get the necessary 218 signatures needed to force the issue to the floor – and so the FAA begins implement of the new contract on June 5.

Although all participants in the negotiations scrupulously followed the law's requirements in reaching this outcome, the union's congressional supporters are now attempting to change the rules, after the fact, to force both sides back to the bargaining table and prevent the FAA from implementing its contract. In response, House leadership has agreed to place H.R. 5449, a bill "to modify bargaining requirements for proposed changes to the personnel management systems of the Federal Aviation Administration" on the suspension calendar for a vote this Wednesday. Under the "suspension of rules," H.R. 5449 must receive a two-thirds vote to pass.

This paper, in its entirety, can be found at:
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While supporters of this legislation contend that the issue is one of fairness and that the FAA's unionized employees should be allowed the negotiation privileges (which Congress has denied its own staffers) that some other unions possess, the bill would force an indefinite delay that would allow for continued increases in controller pay.

For the controllers, this delay would be better than even their own final and best offer, which the FAA rejected last spring. Thanks to an "evergreen" clause, the expiration of the 1998 contract in late 2005 did not mean an end to salary and benefit increases because the contract's automatic compensation escalators remain in place. The FAA cites a union press release from March 31, 2006, that explains the union's strategy:

There is absolutely no reason for NATCA to end talks. The current contract is better than our last concession-laden contract proposal at the bargaining table, and stays in effect until there is a new contract. We could literally talk forever...

Another reason for the union to seek a delay is the chance that this November's election could change the composition of the House of Representatives to one more accommodative of the controllers' interests.

Legislators, in turn, are concerned that they may face union opposition in their reelection efforts if they are not sufficiently supportive of the controllers. Conveniently for Congress, if both sides are forced back to the negotiating table, final action would be postponed until after the November 2006 election. In response to these delay tactics, Rep. John Mica (R-FL), Chairman of the Aviation Subcommittee of the House Committee on Transportation and Infrastructure and a supporter of the FAA position, said, "This bill is not only a budget buster, nor is it about quality air traffic control services, but a costly

attempt to influence the outcome of November's election."

And costly it will be. Because of the "evergreen" clause in the current contract, any delay in settlement will cause controller compensation will continue to rise and postpone adopting the revised salary schedule for new hires. As a consequence, any suspension of the June 5 deadline will cost U.S. taxpayers a bundle. Based upon FAA's estimate of a \$1.9 billion savings over the five-year life of the new contract, a six-month delay in its implementation could add a cumulative \$190 million to current and future budgets. America can ill afford such a lapse in fiscal discipline.

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