

This letter is in response to language contained in the Conference Report (House Report 107-308) accompanying the final version of H.R. 2299, the Department of Transportation Fiscal Year (FY) 2002 Appropriations Act. The Federal Aviation Administration (FAA) was requested to submit to the Appropriations Committees by January 15, 2002, a report on how the agency plans to implement committee report language contained in Senate Report 107-38 regarding personnel reform.

The Senate report stated the following:

Personnel Reform - In April 1996, at the request of the Department of Transportation and the Federal Aviation Administration, Congress directed the FAA to develop its own personnel and compensation systems to give the agency more flexibility in hiring, training, compensating and retaining a highly technical and experienced work force. Under congressional mandate and in consultation with experts in personnel management, FAA commenced negotiating with its employees. Four employee groups have completed negotiations with FAA thus far. Three of these negotiated agreements, two with the National Air Traffic Controllers Association and one with the Professional Airways Systems Specialists, were implemented immediately upon ratification by the employees. The fourth agreement, between the American Federation of State, County, and Municipal Employees and the FAA, covering employees in FAA's headquarters, was ratified in late February 2001 but has not been implemented by the agency. The Committee is concerned that the failure to implement this contract has resulted in lost opportunities to obtain important productivity gains and a deterioration in the relationship between the agency and its employees. The Committee expects the agency to implement the ratified agreement immediately so that improved productivity can be achieved and employee morale can be improved.

I would like to take this opportunity to report to the Committees the status of negotiations between the American Federation of State, County and Municipal Employees, Council 26 (AFSCME) and the FAA on the parties' first labor agreement covering four bargaining units in FAA headquarters.

Negotiations between AFSCME and the FAA began in July of 2000. The work rules (non-pay issues) were completed rapidly and the parties began addressing pay issues in September 2000. From the opening session through the conclusion of discussions with AFSCME, the FAA made clear that a final agreement would be conditioned on the Office of Management and Budget (OMB) concurrence. OMB declined to concur with the tentative agreement that was reached in early February of 2001.

Because the condition of OMB concurrence was not met, the FAA's position is that a final agreement was not reached and that the parties must return to the bargaining table. AFSCME rejected the FAA's initial offer to return to the bargaining table. AFSCME's position is that FAA must execute the tentative agreement.

In March 2001, AFSCME filed an unfair labor practice (ULP) charge against the FAA with the Federal Labor Relations Authority (FLRA), and the matter is currently in litigation. Before the hearing on the ULP commenced, the FAA met with AFSCME representatives and offered to resolve the dispute based on earlier agreements with other unions. The parties were ultimately unable to reach a resolution and the parties participated in an FLRA hearing on the ULP complaint earlier last month. We remain ready to resume negotiations with assistance from the Federal Mediation and Conciliation Service, if necessary.

The FAA has made efforts to settle this dispute. The FAA has offered, on several occasions, to return to the bargaining table and resume negotiations. AFSCME has rejected a resumption of negotiations.

I will continue to keep the Committees informed as events warrant.

Identical letters have been sent to Chairwoman Murray, Senator Shelby, and Chairman Rogers.