HOUSE AND SENATE REACH AGREEMENT ON FAA REAUTHORIZATION

House Passes Conference Report; Senate Expected to Pass Agreement Next Week

After operating under 23 temporary extensions since 2007, House and Senate lawmakers have finally reached agreement on a long-term FAA reauthorization bill. The legislation (H.R. 658) was approved by conference on January 31, and the House passed the conference report on Friday. The Senate is expected to pass the conference report on Monday, at which time the legislation will be sent to the president to be signed into law. The four-year authorization provides $63 billion, or $15.9 billion a year, for the FAA through FY 2015. Over the years, PASS has lobbied extensively to ensure the inclusion of language important to PASS members, and the final bill includes language on the following:

- **Contract negotiations:** Incorporates binding arbitration before a neutral third party for contract disputes, which will provide for a fair collective bargaining process between the FAA and its unions.
- **Certification:** Requires the FAA to ensure that equipment, systems or services used in the National Airspace System meet appropriate certification requirements regardless of whether the equipment, system or service is privately or publically owned.
- **FAA technical training and staffing:** Requires the National Academy of Sciences to examine the staffing needs of the technician workforce and the FAA to review its staffing plan.
- **Inspector staffing model:** Requires the FAA to implement the staffing model for aviation safety inspectors and consult with PASS in the process.
- **FAA modernization:** Requires the FAA to collaborate with its unions in planning, development and deployment of air traffic control modernization projects.
- **Consolidation/realignment of facilities:** Details a process for consolidation and realignment of FAA facilities that includes PASS.
- **Air traffic control facility conditions:** Requires the Comptroller General to study and review FAA facility conditions and provide a report and recommendations to the FAA administrator and House and Senate transportation committees.
- **Inspection of foreign repair stations:** Requires that repair stations located outside the United States be inspected annually by FAA inspectors in a manner consistent with international bilateral agreements. Also requires member countries of the International Civil Aviation Organization to establish international standards for alcohol and controlled substance testing for individuals working on U.S. commercial aircraft.
- **Certificated repair facilities:** Establishes a process that within three years essential maintenance work having to do with the airworthiness of an aircraft, regularly scheduled maintenance work or a required inspection item be performed by a Part 121 air carrier, Part 145 repair station or a person operating under the supervision of a Part 121 or Part 145.
- **ATOS:** Establishes a process in which a team of inspectors reviews the Air Transportation Oversight System (ATOS) database and reports on a biannual basis to House and Senate transportation committees.
- **Voluntary Disclosure Reporting Program:** Requires inspectors to confirm, before approving a final report of a violation, that the violation had not been previously discovered by an inspector or self-disclosed by the air carrier and verify that air carriers are implementing comprehensive solutions to correct the underlying causes of self-disclosed violations. Also requires the Inspector General to conduct a study of the program.
- **Postemployment restrictions for inspectors:** Requires that any Flight Standards inspector with responsibility to inspect or oversee a certificate holder cannot work for that same certificate holder for at least two years.
- **Educational requirements:** Provides access to Department of Defense (DoD) schools for dependent children of FAA employees in Puerto Rico and Guam.
- **MSPB:** Allows FAA employees the same rights to petition the Merit Systems Protection Board (MSPB) as other federal employees.
PASS was successful in removing language that established a pilot program for airport or airport sponsor takeover of terminal area air navigation equipment. Unfortunately, the legislation contains language that encourages the FAA to use third-parties in the development, testing and maintenance of flight procedures.

While Senate passage is expected on Monday, concerns still remain regarding changes to union election rules for workers covered by the Railway Labor Act. Among the anti-labor provisions included in the final conference report are a new requirement that half the workers in a bargaining unit must petition the National Mediation Board (NMB) to certify a union, up from the current 35 percent, and a requirement that the Comptroller General conduct perpetual audits of the NMB. These provisions were strongly opposed by airline and railway unions, which will be impacted by the changes.

**ANTI-FEDERAL EMPLOYEE ATTACKS CONTINUE**

Since returning from recess in January, Congress has wasted little time in continuing to consider proposals that negatively impact federal employees. Last week, the House Subcommittee on Federal Workforce, U.S. Postal Service and Labor Policy conducted a hearing on federal employee retirement security in order to ascertain the health of the current federal employee pension and retirement benefits system, which is being targeted by House leadership in order to offset much of the cost for extending the current payroll tax holiday. As a result of the hearing, Oversight and Government Reform Chair Dennis Ross (R-Fla.) introduced legislation (H.R. 3813) calling for changes to the retirement system for federal employees, including increasing contributions for current federal employees by 0.5 percent over three years beginning in 2013, establishing a new retirement system for federal employees hired starting in 2013 with less than five years of prior service, changing the pension calculation from a “high-3” to a “high-5” and calculating pensions at 0.7 percent of average pay.

In addition, on Wednesday, the House voted in favor of legislation that would extend the current federal civilian pay freeze through 2013. The bill (H.R. 3835), which also freezes pay for members of Congress, was sponsored by Rep. Sean Duffy (R-Wis.) and passed by a vote of 309 to 117. The House voted on the bill under suspension of rules that required a two-thirds majority for passage. “This bill was clearly designed to score political points during an election year by forcing members of Congress to make an impossible choice – vote against the bill because it freezes federal pay and in favor of a pay raise for themselves or freeze pay for everyone,” said PASS National President Tom Brantley.

With regards to ongoing negotiations on the payroll tax holiday legislation (H.R. 3630), the House and Senate are expected to reach agreement by February 29, which is when the temporary extension is set to expire. H.R. 3630, which was introduced by Rep. Dave Camp (R-Mich.), would add an additional year to the current two-year pay freeze; increase federal workers’ pension contributions by .05 percent over three years to equal a 1.5 percent increase by 2015, eliminate the Federal Employee Retirement System (FERS) minimum Social Security supplement for workers not subject to mandatory retirement, change the pension calculation from the employees’ “high-3” to a “high-5” salary and would increase the current employee contribution from .08 percent to 4 percent. Before passage of the temporary extension in December, the Senate ultimately rejected the anti-federal employee provisions contained in the House version of the bill.

**ACTION ITEM:** In light of the increased activity surrounding anti-federal employee proposals, all PASS members should continue to contact their members of Congress to ask them to reject these misplaced attacks. It is especially important that those represented by the conferees on H.R. 3630 contact them to ask them to oppose any inclusion of anti-federal employee provisions in the final payroll tax extension legislation. The Senate conferees are as follows: Sens. John Barrasso (R-Wyo.), Max Baucus (D-Mont.), Benjamin Cardin (D-Md.), Robert Casey (D-Penn.), Michael Crapo (R-Idaho), Jon Kyl (R-Ariz.) and Jack Reed (D-R.I.). The House conferees are as follows: Reps. Xavier Becerra (D-Calif.), Kevin Brady (R-Texas), Dave Camp (R-Mich.), Renee Ellmers (R-N.C.), Nan Hayworth (R-N.Y.), Sander Levin (D-Mich.), Tom Price (R-Ga.), Tom Reed (R-N.Y.), Allyson Schwartz (D-Penn.), Fred Upton (R-Mich.), Chris Van Hollen (D-Md.), Greg Walden (R-Ore.) and Henry Waxman (D-Calif.).