



Testimony of

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Subcommittee on Aviation

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“A Review of FAA’s Efforts to Reduce Costs and Ensure Safety and
Efficiency Through Realignment and Consolidation”

INTRODUCTION

The National Air Traffic Controllers Association (NATCA) is the exclusive representative of over 15,200 air traffic controllers serving the Federal Aviation Administration (FAA), the Department of Defense (DOD) and the private sector. In addition, NATCA represents FAA's Alaska flight service specialists and approximately 1,200 FAA engineers, 600 traffic management coordinators, 500 aircraft certification professionals, agency operational support staff, regional personnel from FAA's logistics, budget, finance and computer specialist divisions, as well as agency occupational health specialists, nurses and medical program specialists.

All NATCA members are dedicated to ensuring that our National Airspace System (NAS) is the safest and most efficient in the world. In order to maintain that safety and efficiency, our aviation safety professionals work to improve safety procedures, modernize the NAS, and promote new technology. We have professional controllers involved in nearly every modernization and NextGen-related program the FAA is currently working on. Controller skills are put to work every day as they handle an impressive volume of flights – air traffic controllers monitor takeoff and landing for more than 70,000 flights each day, safely moving nearly two million passengers through our skies daily. Air traffic controllers handle these flights in the busiest and most complex air space in the world with roughly 5,000 planes in the sky at any given moment.

With the size and complexity of our airspace in mind, NATCA is committed to a collaborative relationship with the FAA. From the onset, it is important to recognize that the current FAA leadership has made a similar commitment, understanding that fostering cooperation between management and the frontline workforce is imperative throughout the process of the planning, development and implementation of safety and technology programs for the NAS.

One of these key programs is the realignment of facilities and services, which is defined as the consolidation, severing, or reorganization of FAA facilities and services. This may include the relocation of functions, services, or personnel positions, the discontinuation or severance of existing facility functions or services, or the combination of facilities.

REALIGNMENTS AND CONSOLIDATION

It is NATCA's position that realignments should be implemented only when the realignment will enhance operational services, provide continued or improved safety, support and facilitate modernization of the NAS, address and mitigate concerns raised by stakeholders, and is cost-effective. While realignment may play a role in modernizing facilities with NextGen capabilities, realignments and automation upgrades are two separate issues. Realignments should always be driven by safety, efficiency, and infrastructure needs, while technology developments drive automation improvements (automation systems can be housed in any type of building whether they have been realigned or not).

To be clear, NATCA supports facility realignments, but only as part of a comprehensive plan with a clear objective, quantifiable efficiency gains, and a sound business case evaluating each proposal. To date, the majority of the FAA's business cases have not stood up to that scrutiny. For example, in June 2010, the Department of Transportation Inspector General (DOT IG) review of the proposed transfer of the Boise TRACON to the Salt Lake City TRACON found that projected cost savings and efficiency gains in the proposal could not be realized. The DOT IG ultimately determined that the FAA business case was "flawed, lacked transparency, and did not reflect changes in key assumptions or include up-to-date facility-level information." Similarly, an independent third party review of the proposed realignment in Abilene, Texas revealed the Agency's data was also flawed, and that the anticipated cost savings would most likely not be achieved.

NATCA is a proponent of a holistic and strategic approach to realignments that examines the entire system and the operational efficiency of existing and planned airspace. Once that plan exists, the FAA and stakeholders must look at each proposal individually to make sure there is a solid business case for the realignment. Again, realignments must be part of a comprehensive plan and must be accomplished without compromising safety, efficiency or reducing services, and all realignments must be data-driven and not based on supposition or ideology.

The parties have worked collaboratively on some aspects of realignment such as severing TRACON services from a Tower when the TRACON is being considered for consolidation. However, in other cases such as Orlando International Airport and Memphis International Airport, the Agency has simply unilaterally severed Tower and TRACON services creating

two facilities in the place of one. In those cases, the Agency has not provided any quantifiable data to support such actions and NATCA was not involved in a collaborative manner prior to that decision. While NATCA is willing to consider all data, we believe the unilateral severance of tower and TRACON services provides no benefit to the NAS and that there are more viable alternatives to this action such as the structures now being used in Miami, Charlotte and Philadelphia.

Impact of FAA Modernization and Reform Act of 2012: Since passage of the FAA Modernization and Reform Act of 2012 (H.R. 658), NATCA leadership has, on a regular basis, asked the Agency about its plans for realignment, specifically about the report mandated by section 804 of the new law. This report is due June 14, 2012, a date quickly approaching. NATCA's position has been that frontline workforce input is critical, and we wanted to ensure NATCA's inclusion from the early drafting of that report. As the end of May approached, we had not seen any progress on the congressionally mandated report, and we had not been included in any discussions or efforts to produce that report. Since the Committee's announcement of this hearing, there has been some movement: The FAA advised NATCA leadership on May 24th that it would convene a stakeholders meeting on June 5th to discuss plans for realignment. NATCA believes collaborative pre-decisional meetings such as this are a vital component of a comprehensive plan with a clear objective, quantifiable efficiency gains, and a sound business case that evaluates each proposed realignment. NATCA will continue advocating to be actively included as the FAA moves forward on fulfilling its congressional mandates.

LESSONS LEARNED FROM PAST REALIGNMENTS

The May 2012 DOT IG draft report found that the FAA's efforts to consolidate as well as sever (or split) towers from TRACONS have not produced the stated objectives.

NATCA's findings support that statement. Interviews with facility personnel and anecdotal evidence show us that the costs of these consolidations were higher than originally estimated. This may be due to the fact that more personnel are required to staff a severed tower and TRACON than a combined facility. In addition, telecommunication costs associated with realignments often exceed the projected savings. These factors, combined with the fact that

stated operational efficiency objectives are often not achieved, lead to the conclusion that realignments are not inherently beneficial to the NAS.

The following are a few detailed examples from past realignments that must be addressed in the business case for any future realignment proposals:

- **Telecommunication Costs:** The FAA must consider the significant costs of transferring data from one location to another. Federal Tele-Communications Infrastructure (FTI), the program used for transferring radar and telephone data, is a driving cost factor in both severing and consolidating facilities. The cost of connecting new facilities so they can continue to communicate seamlessly from separate locations increases as the facilities increase in distance. These costs increase again as the radar services from more towers are consolidated to a single TRACON. In other words, a tower located one mile from its TRACON only sends data from radar feeds one mile. A TRACON two hundred miles away must send the radar data two hundred miles, process the data, and send it back to the tower via redundant lines. This means data must be sent four hundred times as far, which is considerably more expensive.
- **Assets Left Behind:** The FAA should not assume that realigning facilities will automatically reduce the size of the NAS. When severing functions from combined facilities, the FAA is actually expanding the NAS because they are creating new facilities with new positions to be filled. Likewise, consolidations may add facilities to the NAS as well – a consolidation or realignment that severs a TRACON from a tower will always leave a stranded asset (the tower) that needs to be supported, maintained, and staffed. Traditional consolidations like these are not like BRAC closings. They only affect the TRACON (the radar function) of the facility, however a control tower remains behind as an FAA asset requiring maintenance and staffing. If that tower was leaking water or structurally unsound, it will continue to be leaking water and structurally unsound even after automation equipment is removed. As far as replacement costs are concerned, the presence of a TRACON has virtually no bearing on how much a new tower costs. This can negate perceived cost savings (according to our data collected during the short term realignment workgroup, cost savings are nominal).

- **Employment Costs:** The FAA has failed to properly calculate the employment and personnel costs associated with realignments. For example, in Orlando, FL (MCO) and Memphis, TN (MEM) where the FAA severed the tower from TRACON, the total cost exceeded FAA estimates. Specifically, the resulting salaries of increased management and staff resulted in more than \$1 million per year increase beyond the cost of the combined facilities.
- **Reduced Services:** At Pueblo CO, (PUB), Palm Springs, CA (PSP) and Beaumont, TX (BPT), where the towers have been severed from the TRACONs, anecdotal evidence suggests that services were reduced, particularly to the General Aviation community. NATCA is not aware of any evaluation that calculated the post-realignment costs, efficiency gains or services provided.
- **Increased Square Footage Costs:** At Abilene (ABI), Boise, ID (BOI) and West Palm Beach, FL (PBI), new facilities were constructed as part of the planned consolidation. While the FAA intended to reduce costs, the new facilities were actually greater in square footage than the facilities they replaced, leaving more square footage to maintain despite the removal of the TRACON. At Abilene, the new facility is larger post-consolidation than pre-consolidation, even without a TRACON (note: Abilene has not yet been completed. Controllers have moved into the tower and base building, but they only have a temporary TRACON to work out of. This old mobile unit is not compatible with new technology (STARS). Instead of facilitating modernization, the move has actually delayed modernization). As previously stated, the presence of a TRACON has virtually no bearing on how much a new air traffic control tower costs.
- **Loss of Training Facilities:** Consolidations and severing of combined facilities also reduce the training grounds for new controllers in the terminal environment. The more consolidations the FAA completes, the fewer small- to medium-size facilities will exist for controllers to learn and train before they move on to more complex facilities. Eliminating those small- and medium-size facilities is like eliminating the minor league system in Major League baseball. While we are not suggesting that the FAA should forego realigning any small facilities for the sake of new controllers, it should be another factor it considers.

- **Efficiency Costs:** Controller cohesion is one potential cost during consolidations – controllers no longer working in the same building simply interact differently. Through personal experience, we know there’s an effect from severing TRACON functions from combined facilities, but a quantified study of that effect has never been conducted. Generally speaking, NATCA believes that combined TRACON/towers operate most efficiently because controllers are trained in both arenas, and are answering to managers within their own facility. Ultimately, it is NATCA’s position that facilities that are combined seem to function more efficiently than those that are not.
- **Metrics and Follow-Up:** Past realignment efforts have not produced quantifiable benefits to the NAS. In many of these cases, the FAA has not offered post-action follow-up financial data to suggest that they achieved any of the cost-savings or efficiencies that were touted as a reason for those realignments. It is NATCA’s position that the FAA always must conduct a post-consolidation analysis to measure the success of these realignments. The DOT IG noted that these metrics are absent from planned realignments. Unfortunately, the FAA does not currently maintain established metrics to determine the success or failure of recent FAA realignments. These endeavors are often controversial in the local community as well as with Congress, and the issues of concern have not been revisited to determine their success or failure. The FAA must conduct a transparent and quantifiable post-realignment analysis as well as produce a real business case for each proposed realignment or consolidation.

In the past, the FAA unilaterally identified and implemented realignments. Those actions did not produce its stated objectives. Moving forward, stakeholders must be involved in each decision to realign facilities under a comprehensive plan. Stakeholders can offer their expertise in, among other things, data analysis, which may or may not lead to the conclusion that realignment is the correct way to proceed, but will always lead to the best outcome for the flying public and the American taxpayer.

FAA-NATCA Workgroup: From 2009 to 2010, a collaborative FAA-NATCA workgroup was formed to jointly analyze eight facility consolidations that were in the “execution phase.” The short-term realignment workgroup developed an agreed-upon process for jointly evaluating realignments. This process included a quantifiable analysis process with scoring for financials, staffing costs and even non-quantifiable “other considerations”, such as the remaining building life cycle, exposure to natural disasters, and facility expandability. Of the eight facilities analyzed:

- The realignment plans for three (Reno, NV, Dayton, OH and Abilene, TX) were recommended to move forward.
- The plans for consolidation of two facilities (Boise, ID and West Palm Beach, FL) were cancelled.
- The remaining three projects (Northern OH, Northern MI and Champaign, IL) were held in abeyance.

The Boise (BOI) and West Palm Beach (PBI) realignments did not go forward after a careful review of the data failed to support realignment. Both proposals were evaluated first by the FAA, then jointly by the FAA and NATCA. The collaborative review of all associated data resulted in a different conclusion than the review without NATCA’s collaboration. In fact, NATCA assessed data that the FAA had not considered. The 2010 DOT IG report confirmed that the FAA’s initial analysis was flawed and lacked supporting data. Because this Workgroup’s collaborative evaluation of the data identified the flaws and lack of supporting data, the FAA did not go forward with Boise or West Palm Beach realignments.

Abilene (ABI) is another example of the Workgroup’s effort at positive collaboration. When the collaborative Workgroup evaluated ABI data, calculated financial and other considerations that are not quantifiable such as local input, they found a reasonable case for consolidation. However, due to NATCA’s continued concern about a lack of credible business case, we repeatedly asked the FAA for an independent review. That independent report determined that the original data was flawed, and not cost effective. Ultimately, the FAA indicated that it intends to proceed on the Abilene realignment despite that independent analysis.

The work of the joint Workgroup demonstrates that realignment efforts can be successful when stakeholders are involved and a well-designed business case is used with measurable goals.

Additionally, as the group reviewed the data, it became clear that the desire to combine or consolidate numerous buildings into one does not automatically mean that improvements will be made to the system or that money will be saved. While NATCA can support realignments where the business case supports it, the review process revealed that fewer facilities, simply for the sake of wanting to consolidate, is not always better or more efficient.

CURRENT FAA EFFORTS - THE FUTURE FACILITIES PROGRAM:

The FAA's stated goal for the Future Facilities Program was to develop a comprehensive plan for realignment. The program was originally initiated as a Special Program Management Office (SPMO) and began work on a segmented plan that was to be data-driven and operations-driven.

In November 2010, NATCA representatives began participating in the Future Facilities Program. Under the SPMO, NATCA representatives received and provided input. The Program gained traction and put together several alternatives the Agency could consider in a comprehensive manner. However, in the fall of 2011, the FAA reorganized the Air Traffic Organization (ATO) and the Future Facilities Program was moved into the Tech Ops Organization of the ATO. Unfortunately, at that point the Future Facilities Program began to lose focus and direction.

Ultimately the Future Facilities plan, as originally developed, was rejected for political and financial reasons. The original plan would have taken a segmented approach to realignment, creating a multi-year process costing hundreds of millions of dollars each year. Instead, the program was directed to abandon the segmented process and narrow their scope to only New York facilities (with plans for a new facility to be built in New York State), leaving the FAA without the desired comprehensive plan for addressing realignments moving forward.

- **Integrated Control Facility (ICF):** The concept put forth by the Future Facilities Program called for the design and construction of an entirely new type of air traffic control facility – an Integrated Control Facility (ICF). ICF was intended to be the NextGen facility of the future, housing elements of En Route as well as Terminal Airspace in a blended operation. Not surprisingly, the construction of a facility of this scale would require coordination with multiple offices and lines of business within the agency – NextGen, En Route, Terminal, TAMR, Voiceswitch, ERAM, etc. To construct such a facility, the Agency needs one individual to oversee the project with the authority to direct work from other offices and lines of business. Without someone in that position, with that level of authority, the project is set up for delays, cost overruns, sub-optimization, and the possibility of outright failure. While the Future Facilities Program does have a program director, that individual has no authority to compel work from other agency offices or lines of business. This lack of authority puts the Future Facilities program in jeopardy.
- **Transparency of Future Facilities Program:** Another primary goal of the Future Facilities Program was to provide transparency and information for all affected employees in order to notify them years in advance of any potential realignment that might affect said employees. In an effort to provide that transparency, the program provided a joint NATCA/FAA briefing to all affected facilities within the first segment of the Future Facilities plan on September 15, 2011 in Philadelphia. During that briefing representatives of NATCA and management were provided details of the plan and asked for input and feedback. It was the stated intent of the Program to establish some means of providing continuous, up to date information for the employees. Yet every attempt by the Future Facilities Program to create such a communications vehicle has been halted by the FAA and ATO. To date, the Future Facilities Program has not been able to pursue a venue for providing information to the affected employees.
- **Engaging with Local Workforce:** While NATCA leadership has tried to take a collaborative approach on realignment, the FAA's lack of a comprehensive plan has

made it difficult for NATCA to work with, or engage locals on the issue. Recently, Agency leadership asked NATCA to collaboratively work on a survey for the New York facility the Future Facilities Program is designing. Surveying the workforce is an essential component in the development of the New York facility, and we applaud the Agency for keeping their commitment to actively involve the workforce in this monumental project.

Additionally, the DOT IG has correctly noted that NATCA leadership is working in good faith with the FAA on the realignment issue. At the same time, the DOT IG notes that local membership does not support the collaborative efforts of NATCA National, regarding the proposed NY Integrated Facility realignment. NATCA believes that the direct dealing with the NATCA members by the DOT IG was improper. It is important to note that NATCA National has not signed off on any plan when it comes to the ICF. As a matter of fact, it was only until recently that NATCA representatives on this project were bound under a non-disclosure agreement (NDA), which prohibited NATCA from discussing specifics of the project – particularly concerning location. We find it unfair that the IG approached NATCA members and broached the subject of a combined facility and possible relocation without properly providing them with any prior information, explanation or status of the project.

At this time, NATCA is concerned that the FAA lacks a comprehensive, consistent plan with repeatable processes moving forward after the New York facility is built. The Agency cannot continue to make patchwork changes to the NAS. The FAA needs a comprehensive plan for addressing realignments within the NAS, whether it is under a revised version of the Future Facilities Program or using some other process. The FAA must work with NATCA to develop an appropriate, comprehensive strategy moving forward.

CONCLUSION

NATCA is committed to collaboratively working with the FAA to ensure the safety and efficiency of the NAS. While it is important to recognize that the current FAA leadership has

made a commitment to collaborative effort in the planning, development and implementation of safety and technology programs, and NATCA has seen the FAA make progress in numerous areas, the following are specific items where NATCA would recommend more movement:

- The FAA must develop, with the inclusion of its frontline workforce and other affected stakeholders, a comprehensive, strategic approach to realignments in the NAS.
- The FAA must develop a holistic and strategic approach to realignments that examines the entire system and the operational efficiency of existing and planned airspace. The NAS cannot be altered as a patchwork of systems that are built independently. Whether it is through the congressionally mandated report or revamping the Future Facilities Program, NATCA stands ready to collaboratively work with the FAA on maintaining and improving the efficiency of the airspace system.
- Once that plan exists, the FAA and stakeholders must look at each proposal individually to make sure there is a solid business case for realignment. Lessons learned from past realignments need to be taken into consideration.
- FAA must establish transparent metrics to determine the success or failure of realignments. The Agency must consistently conduct post-consolidation business analysis using repeatable metrics, and publicly report the outcome of these analyses.

We appreciate the opportunity to appear before the Committee to provide our input on realignment and consolidations. We also welcome opportunities to work with the FAA in a collaborative manner to help fulfill the promises of NextGen and properly address issues to enhance the safety and efficiency of the National Airspace System (NAS).

National Air Traffic Controllers Association

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Paul Rinaldi became the sixth president of the National Air Traffic Controllers Association when he began his first term in October 2009. In March 2012, Rinaldi was re-elected by acclamation. Prior to being elected to the presidency, Rinaldi served three years as NATCA's executive vice president, after 16 years as an air traffic controller at Washington-Dulles Tower (IAD).

During his time at IAD, Rinaldi was immediately drawn to representing the hard-working men and women in his facility.

He was elected as vice president of the facility's local NATCA chapter in 1995 and became the facility representative a year later. Rinaldi's leadership soon resulted in IAD becoming a 100% NATCA membership facility.

Rinaldi has also served the union as a member of the Eastern Region Labor Relations Team, an arbitration advocate since 2000, an air safety investigator from 1997 to 2006 and, in 2003, he accepted the challenge to represent the entire NATCA Eastern Region as its alternate vice president. Moreover, Rinaldi has extensive congressional and media experience which he puts to great use as an outspoken advocate for air traffic controllers and aviation safety professionals on the national stage.

Even though NATCA's top two positions are elected separately, Rinaldi and the current Executive Vice President, Trish Gilbert, campaigned for their respective positions as a team. Since taking office in 2009 they have continued to work as a team, along with the National Executive Board, elevating NATCA to new levels of success. NATCA's team is committed and focused on improving the working relationship between the union, the FAA and DOT. Efforts like the Air Traffic Safety Action Program (ATSAP), fatigue mitigation efforts, Workforce Engagement, Partnership For Safety and professional standards are a result of the team's focus on progress and safety. These processes have led to collaborative decisions on important issues involving airspace, procedures, technology, staffing and training while cementing NATCA's leadership role in the aviation industry.

In January 2011, Rinaldi was named to the FAA Management Advisory Council (MAC) where he plays a large role in the evaluation of important National Airspace System issues. Side by side with the FAA Administrator in April 2011, Rinaldi launched a nationwide Call to Action to highlight the issue of fatigue in the workplace and staffing in our nation's air traffic control towers. Following this effort, he furthered the fatigue debate during testimony before the Senate Subcommittee on Aviation regarding Air Traffic Control Safety Oversight by providing valuable insight based on scientific data. His efforts resulted in the implementation of 12 significant fatigue mitigation recommendations aimed at bringing a higher level of safety to the professionals he represents, and, more importantly, to the flying public, as a whole.

In 2011 under Rinaldi's leadership, for the first time NATCA met the long-term goal of 100% of the NATCA bargaining units covered by negotiated and ratified collective bargaining agreements.

In addition to these accomplishments, Rinaldi currently holds a position on the NextGen Advisory Committee (NAC). He also serves as a union representative on the FAA National Labor-Management Forum, created to improve labor relations within the federal government.

Paul Rinaldi is a native of Island Park, N.Y. He resides in Manassas, Va., with his wife, Debra, sons, Anthony and Nicholas, and daughter, Olivia.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Truth in Testimony Disclosure

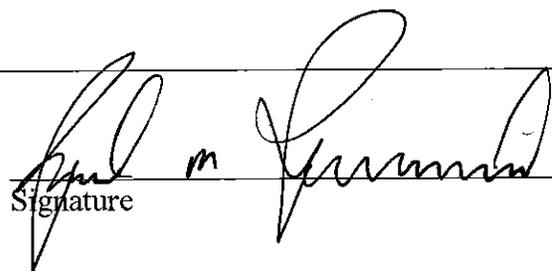
Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name: PAUL M RIMARDI

(2) Other than yourself, name of entity you are representing: NATCA

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?
 YES If yes, please provide the information requested below and attach your curriculum vitae.
 NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:
NONE


Signature

MAY 31 2012
Date