



U.S. Department
of Transportation
**Federal Aviation
Administration**

Office of Labor Management Relations
800 Independence Ave., SW.
Washington, DC 20591

MAR 13 2007

Mr. Jim Lenz, President
AFSCME Local 3300
Washington, D.C. 20591

Dear Mr. Lenz:

This is in response to your January 17, 2007 email letter to Mr. Melvin Harris regarding "Pay Inaccuracies – Administrator Blakey's 1/03/2007 E-mail to all FAA Employees".

First, let me state that the Administrator's letter does not state, "the maximum thresholds of all pay bands would increase by 1.7%." What it does state is that a decision was made to "...raise the pay bands under Core Compensation by 1.7%".

That is exactly what was done. Although not specifically spelled out in the Administrator's annual letters regarding the pay raise and pay bands, the following three factors have characterized the structure and administration of the FAA pay bands under Core Compensation:

1. When the pay bands have increased, the initial calculation of percentage increase has been made on the **midpoint** of the bands.
2. Pay band range spreads have always been fashioned around the **midpoint**. The FAA range spreads, from minimum to maximum, have been:
 - Within bands A and B - a 45% range spread
 - Within bands C through F - a 50% range spread
 - Within bands G through L - a 55% range spread
 - Within band M – a 35% range spread

Note: The percentages above are stated to the nearest whole number. The range spreads for the pay bands above may be calculated out to several decimal places.

3. The numbers have always been rounded to the nearest hundred dollars.

Specific to this year's pay increase, the midpoints of each band were increased by 1.7% rounded to the nearest hundred dollars.

It is from the midpoint that the minimum of the band is calculated using the band's applicable spread and it is from the minimum that the maximum of the band is calculated using the band's applicable spread. Rounding to the nearest hundred dollars occurs at each step in the calculation.

To illustrate the above, please look at Pay band B:

1. The 2006 midpoint for Pay band B was \$22,700. A 1.7% increase to \$22,700 would raise the new midpoint to \$23,085.90 (Calculation: $\$22,700 * 1.017 = \$23,085.90$). Rounding this figure to the nearest hundred dollars would give you a final 2007 midpoint for Pay band B of \$23,100.
2. In order to calculate the minimum for the band, divide the final midpoint by 1 plus $\frac{1}{2}$ of the spread percentage. (Calculation: $\$23,100 / 1.225 = \$18,857.14$). If you round this figure to the nearest hundred dollars, you have the new final minimum of \$18,900.
3. To calculate the maximum, multiply the final minimum by 1 plus the spread percentage. (Calculation: $\$18,900 * 1.45 = \$27,405$). If you round this figure to the nearest hundred dollars, you have the new final maximum of \$27,400.

Hopefully this answers your questions on how the pay bands were raised under Core Compensation by 1.7% for 2007. If you have any further questions, you may direct them to Ernie Pickell (AHL-400) at 202-267-8619.

Sincerely,



Ferrol W. Thomas, Jr.
Manager, Policy and Programs Division, AHL-400
Office of Labor Management Relations

cc: William Chouinard, Jr., AFSCME Local 953