

STATEMENT OF CHARLES E. WEITHONER, ASSOCIATE ADMINISTRATOR FOR ADMINISTRATION, FEDERAL AVIATION ADMINISTRATION, BEFORE THE HOUSE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, SUBCOMMITTEE ON CIVIL SERVICE, CONCERNING THE SECOND CAREER PROGRAM. JUNE 26, 1979.

Madam Chairwoman and Members of the Subcommittee:

I appreciate having the opportunity to appear before you today to offer the Federal Aviation Administration's views on several bills pending before the Subcommittee. The bills are concerned largely with second career training benefits.

As you are probably aware, second career training benefits were provided air traffic controllers by Public Law 92-297 which established a special career program for controllers, including such features as providing for a mandatory entrance age and special early retirement provisions. Second career training refers to that aspect of the career program which entitled certain disqualified controllers to two full years of government-funded training at full salary.

I think it's important to recognize that the Department of Transportation was a primary supporter of a comprehensive career program for controllers and urged the enactment of

legislation establishing such a program. In doing so, we also were supportive of second career training benefits for controllers. However, several recent and comprehensive analyses of the second career program have brought us to the realization that the program does not warrant continued support and funding.

Last year during our annual appropriations hearings, there was a substantial focus on the second career program and its cost-effectiveness. This interest was generated as a result of two independent studies of the second career program: a study completed by the General Accounting Office and a study performed by the House Appropriations Committee's investigative staff. The Committee's review resulted in a Congressional prohibition against funding any new applicants for the second career program beyond October 1, 1978. We were authorized to continue training of those controllers who entered the program before that time, however. That remains the situation today.

We have provided copies of both the investigative staff report and the GAO report concerning second career training to the Subcommittee Staff. Consequently, I won't go into detail about the reports, though I do believe it would be helpful for me to highlight some of their major findings and conclusions.

The House report essentially reviewed the relationship of Office of Worker's Compensation Programs (OWCP) to second career training, and cited problems with the limited success of second career training and its high costs. The report indicated that there was not a need for second career training: "In view of the limited success and high costs of the program coupled with the availability of comparable (or better) rehabilitative services under OWCP, the Investigative Staff does not believe there is a need for Second Career." The report further noted that "Second Career was conceived at a time when the OWCP alternative was not so available...."

The GAO report, issued on June 29, 1978, is entitled "Second-Career Training for Air Traffic Controllers Should Be Discontinued." As suggested by the report's title, GAO recommended that the Congress discontinue second career training. GAO found, for example, that about 50% of eligible controllers since 1972 had either declined or withdrawn from second career training, and that only an estimated 7% of those who completed training actually used the program to begin second careers. Further, they concluded that the cost for each successful program applicant averaged \$370,000.

I should note that the GAO was critical in a number of respects of the FAA's administration of the program; but they also noted that although the FAA could improve administration of the program "these improvements are unlikely to noticeably increase the program's success."

The FAA also completed a study of the second career program, as required by the Senate Appropriations Committee in its report accompanying the Department of Transportation Appropriation Act for Fiscal Year 1979. We concluded in our report that there was no basis to dispute the findings of either the House investigative staff or the GAO; and, in fact, we determined that their major findings, which I alluded to a moment ago, were correct. Accordingly, based on our own review of the program, which I should mention was transmitted to the House Post Office and Civil Service Committee in March, we recommended to the Congress that the Congressional prohibition against funding new applicants for the program be continued.

The following extract from our report captures the major thrust of our conclusions: "Second career training has proven to be an extremely costly means of providing only a small number of controllers with the necessary tools to enter new careers. As

a general rule, controllers have either elected benefits from other Federal programs (primarily OWCP) or have withdrawn from training before completion. Even of those who have completed a full training program, minimal success has been achieved in job placements in the field for which trained. While means exist...to reduce costs of training, there does not appear to be a plausible way to bolster the success of the program in terms of meeting its intended purpose--that is, to enable controllers to reenter the work force in new careers."

I would like to take a moment now to provide you with some insight concerning the reasons why we reached these conclusions. Let me start with the cost of the program. Second career training has cost the taxpayer \$104,465,238, in direct program costs from Fiscal Year 1973 through Fiscal Year 1978. Based on the estimated 7% "success" rate of the program, GAO, as I mentioned, determined that the cost per successful participant was on the order of \$370,000. Going beyond the direct costs of the program, there have been substantial additional costs of an indirect nature associated with the program. In our report, we projected the cost of developing a controller to the journeyman level to replace a controller who has been separated as nearly \$145,000. In short, despite

exceptionally high program costs, success achieved under the program has been minimal.

I mentioned also the availability to separated controllers of other Federal benefits programs. Many controllers, when disqualified from performing controller functions, have elected to exercise their entitlement to OWCP benefits. These benefits are available to controllers whose disability is determined to be job related. OWCP provides tax-free income of up to 75% of a controller's salary, and further provides up to four years of vocational rehabilitation training contrasted with the two years offered by second career. It is not surprising, then, that many controllers have elected OWCP benefits.

As far as controllers who are disabled, but not as a result of their employment, Civil Service disability retirement is available as it is to other Federal employees. Further, controllers who meet the minimum age and service requirements can elect to retire under the special early controller retirement program which guarantees a minimum of a 50% annuity.

Our analysis revealed that the second career program has yielded few benefits despite continuing high costs to the

taxpayer. In many cases, it has apparently served as nothing more than a bridge for a controller to continue to receive full salary until an OWCP claim is approved. It is apparent to us that the well placed intent of the Congress in enacting, with our strong support, a second career program has not been achieved, nor in our estimation can a cost-effective program be structured to meet that intent.

One of the bills pending before the Subcommittee is H.R. 3479. This bill would modify the second career training program in several respects. It would apparently have the effect of restricting second career training to controllers who are ineligible for optional retirement; who have served for at least five years at the GS-10 level or higher; and who are certified by a physician of their choosing to be suited for entry into second career training. Further, the bill would establish a board, comprised of three persons, to assure that a controller's training objectives and courses of study meet reasonable standards for successful training completion and job placement. The bill would also treat as non-taxable income the benefits provided under the second career program and, for purposes of OWCP compensation, would consider second career training as vocational rehabilitation.

We strongly recommend against the enactment of this legislation. As I stated earlier, we concluded during the preparation of our recent report on second career training that the second career program was not accomplishing its intended purpose, and that we believed, as did the GAO, that even with changes in the administration of the program the program would still fail to meet its objectives.

H.R 3479 does propose modifications to the program which could achieve some cost reductions but, even with these cost reductions, the program would remain extremely costly to the taxpayer. Our calculations show that, with the cost reductions proposed, the direct cost of providing second career training would still be on the order of \$23,000,000 annually.

Despite the significant costs that would accrue with a second career program modified as the bill proposes we are convinced that the program would not accomplish its intended objectives. For example, the training board which would be established to review training programs would simply substitute the judgment of three individuals concerning training for the judgment which would otherwise be exercised by an FAA training official. Beyond that, the value of requiring certification by a physician of the employee's choosing that the employee is

capable of entering training should be assessed in the context of the substantial increase in OWCP claims experienced when employees were authorized by a change in the workers' compensation law to submit claims endorsed by physicians of their choice.

I should call to your attention that several features of the bill which are intended to limit the eligibility of applicants for second career training were considered by the FAA in our analysis of the program. Our conclusion was essentially that those limitations on eligibility would result in some cost savings but that the program would still fail to be cost-effective.

I would like to make one last point concerning H.R. 3479. Earlier I stated that we found many controllers were entering second career training so that they would have a salary bridge while waiting for confirmation from OWCP that their claims were approved. Upon receipt of approval from OWCP, they would exercise their right to OWCP compensation and withdraw from second career training. While I am unsure of the reason for the non-taxable income provision in H.R. 3479, I suggest that, if intended as an inducement for a controller to enter second

career training and to remain in training until completion, before electing to receive OWCP compensation, disability retirement, or special controller early retirement, it would seem to be a costly form of inducement. Under OWCP, where there is a substantiated claim that an employee has suffered injury or illness from a job-related cause, the maximum income an employee can receive is 75% of salary. On the other hand, under this proposal, a controller regardless of whether the disabling factor is job-related would apparently receive 100% of his salary tax-free. It seems incongruous to me to over-compensate someone to persuade them to take advantage of a special benefit not provided anyone else in government.

I would like to briefly discuss H.R. 1262. This bill is particularly objectionable to us as it would not only continue the second career program as it now exists but, by expanding the definition of air traffic controller in title 5, it would extend the benefits of second career training and early retirement to flight service station (FSS) specialists. When Public Law 92-297 was under consideration by the Congress, the issue of including FSS specialists within its provisions was reviewed by the Congress and a decision made to include only air traffic controllers. No justification exists today for

their inclusion under the law beyond that which existed in 1972. The job of a flight service station specialist, although an important component of our air transportation system, is substantially different than that of the controller. FSS specialists do not control air traffic. Their function is to provide advisory services to pilots concerning weather conditions, terrain features, and the like. They are not called upon to make recurring time-critical safety decisions as controllers are and the needs of aviation safety underlying much of the enactment of P.L. 92-297 simply do not encompass the type of work they perform.

We are aware of no justification for providing these costly benefits to flight service station specialists. I believe it is particularly important for the Subcommittee to be aware that we estimate the cost of including flight service station specialists under the provisions of P.L. 92-297 would range from \$8,000,000 to \$16,000,000, depending upon the number of FSS Specialists who took advantage of the special early retirement feature of the bill.

There is another feature of H.R. 1262 which concerns us. The bill would include civilian controllers of the Department of Defense under the provisions of P.L. 92-297 and provides for regulations to be issued jointly by the Secretaries of

Transportation and Defense. The joint issuance of regulations assumes that DOD controllers and FAA controllers are comparable and should be treated similarly in all respects. We are not prepared to make that assumption and have a strong preference that FAA controllers remain subject to regulations issued by the Secretary of Transportation. Similarly, the Secretary of Defense should have independent authority to issue regulations covering Defense controllers. Just as Departmental personnel regulations vary from agency to agency depending upon the mission and other factors which may be unique to a particular agency, we believe that our requirements may vary in a number of respects from those of the Department of Defense, and that we should be able to recognize our special requirements under our own regulatory authority. H.R. 1781 would also provide for the inclusion of DOD civilian controllers under P.L. 92-297 but would authorize the Secretary of the Department in which the controllers were employed to prescribe regulations. H.R. 1781 would amend the definition of controller in title 5 to read operation and control of air traffic rather than separation and control of air traffic. We would note that the meaning of "separation" is clear to us but the term "operation" is not, and recommend the bill be amended accordingly.

Generally, we do not object to the inclusion of DOD civilian controllers under P.L. 92-297 since this is matter that DOD and the Office of Personnel Management can best deal with.

However, we do wish to express the view that our experience with second career training strongly suggests that authorizing such training would be inadvisable.

The last bill you have asked us to address today is H.R. 3503. The bill has two major features. Section 1 of the bill would prohibit controllers from receiving second career training if they are eligible to retire under the normal optional retirement provisions of 5 U.S.C. 8336 or under the special controller early retirement program. This is comparable to a proposal we asked the Congress to consider enacting in the past when we sought to achieve needed cost-reductions in the second career program. In light of our recent analysis of second career training, however, we believe the proposal is no longer desirable since it is apparently intended as a means of reducing some of the program costs while continuing the program.

Section 2 of H.R. 3503 would provide flight service station specialists with coverage under the special controller early retirement program. Again, we are aware of no justification for enacting such a proposal. Our experience has been that there is no need to encourage the early retirement of flight service station specialists since their job performance does not diminish with age as was the demonstrated case with controllers. Even assuming that FSS specialists' skills did perceptibly decrease with advancing age, there would not be a hazard to aviation safety because of the nature of the work they perform. The annual cost of providing special early retirement to FSS specialists would range from slightly more than \$5,000,000 to as much as \$12,000,000.

Madam Chairwoman and Members of the Subcommittee, I must admit feeling somewhat concerned about the generally negative observations I have made today regarding the bills pending before you. But I want to assure you that we are sincere in our conviction that the costly benefits to which I have objected are not warranted in the interest of aviation safety. Today, with an increased consciousness of government cost on

the part of all of us, I believe that we need to fully justify all expenditures of the taxpayers' money, and to assure ourselves that for everything we pay out the taxpayers are receiving a benefit in return. I am convinced that would not be the case if we continued second career training in any form or if we included flight service station specialists within the provisions of P.L. 92-297.

In closing, I would like to express my appreciation that the Subcommittee will be visiting FAA field facilities in Chicago and Denver. I am sure that seeing firsthand the types of work performed in our control facilities and in our flight service stations will be beneficial to the Members of the Subcommittee in your considerations of the legislation before you.

Madam Chairwoman, that completes my prepared statement. We would be pleased to respond at this time to any questions you or Members of the Subcommittee may have.