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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, DC 20548

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STATEMENT OF
HENRY ESCHWEGE, DIRECTOR
COMMUNITY AND ECONOMIC DEVELOPMENT DIVISION
BEFORE THE
SUBCOMMITTEE ON GOVERNMENT
ACTIVITIES AND TRANSPORTATION
HOUSE COMMITTEE ON
GOVERNMENT OPERATIONS
ON
[FAA'S PLANNED CONSOLIDATION
OF REGIONAL OFFICES]



MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

AS REQUESTED, WE ARE HERE TODAY TO DISCUSS FAA'S PLANS TO CONSOLIDATE ITS REGIONAL OFFICES. ON JUNE 12, 1981, FAA ANNOUNCED ITS INTENTION TO CLOSE 5 OF ITS 11 REGIONAL OFFICES. THE NEW YORK, CHICAGO, DENVER, HONOLULU, AND LOS ANGELES REGIONAL OFFICES WOULD BE CLOSED AND THEIR FUNCTIONS WOULD BE COMBINED IN THE OFFICES LOCATED IN BOSTON (BURLINGTON), KANSAS CITY, AND SEATTLE. REGIONAL OFFICES IN ALASKA, ATLANTA, AND FT. WORTH WOULD BE CHANGED VERY LITTLE OR NOT AT ALL.

THE ADMINISTRATOR OF FAA STATED THESE COST CUTTING MEASURES WERE NECESSARY TO MEET THE ADMINISTRATION'S 1982 BUDGET GOALS.

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THE REORGANIZATION IS EXPECTED TO RESULT IN A REDUCTION OF ABOUT 400 POSITIONS AND ANNUAL SAVINGS OF \$19.2 MILLION. THE ONE TIME COST OF THE CONSOLIDATION IS ESTIMATED TO BE \$22.3 MILLION, EXCLUDING AN ESTIMATED \$3.1 MILLION COST TO THE FEDERAL RETIREMENT SYSTEM FOR INVOLUNTARY RETIREMENTS.

ON JULY 2, 1981, FAA ANNOUNCED THAT IT WAS REEXAMINING ITS REGIONAL CONSOLIDATION PLAN.

WE REVIEWED PROJECTED COSTS AND SAVINGS AND RELATED DATA AND DOCUMENTS AVAILABLE WHICH FAA SAID SUPPORTED ITS JUNE 12 DECISION, AND WE INTERVIEWED FAA WASHINGTON HEADQUARTERS OFFICIALS. OUR REVIEW RAISED A NUMBER OF QUESTIONS ABOUT THE DATA AND DOCUMENTS SUPPLIED BY FAA. IN THE SHORT TIME AVAILABLE TO US IT WAS NOT POSSIBLE TO RESOLVE ALL THESE QUESTIONS WITH THE FAA.

HISTORY OF REGIONAL CONFIGURATIONS

CONSOLIDATION OF FAA REGIONAL OFFICES HAS BEEN UNDER CONSIDERATION BY THE AGENCY FOR A NUMBER OF YEARS. PRIOR TO 1971, WHEN THE FEDERAL STANDARD TEN-REGION CONFIGURATION WAS ESTABLISHED, FAA HAD FIVE REGIONS. THE CURRENT FAA REGIONS WERE DEVELOPED PRIMARILY TO CONFORM SUBSTANTIALLY TO THE FEDERAL STANDARD.

AN FAA ANALYSIS MADE IN JUNE 1975 PRESENTED THREE OPTIONS FOR THE CONSOLIDATION OF THE REGIONAL OFFICES IN THE CONTINENTAL U.S. ONE OF THESE OPTIONS WAS ALMOST IDENTICAL TO THE REGIONAL BOUNDARIES FAA ANNOUNCED ON JUNE 12, 1981.

OTHER FAA STUDIES OF POSSIBLE REGIONAL CONSOLIDATIONS WERE COMPLETED IN FEBRUARY 1977 AND FEBRUARY 1981. THESE STUDIES PRESENTED A VARIETY OF PROPOSED CONSOLIDATIONS INCLUDING ONE VERY SIMILAR TO THE JUNE 12, 1981, PLAN.

FAA EXPLAINED ITS CURRENT EFFORT TO REORGANIZE, NOTING THAT THERE WAS AN IMBALANCE IN THE WORKLOAD OF ITS REGIONAL OFFICES AND THAT IF THE NUMBER OF REGIONAL OFFICES WERE REDUCED, REDUNDANT POSITIONS, SUCH AS REGIONAL DIRECTORS, DIVISION AND BRANCH CHIEFS AND RELATED SUPPORT STAFF COULD BE ELIMINATED. USING INFORMATION PREVIOUSLY DEVELOPED, AND GATHERING UPDATED INFORMATION, HEADQUARTERS PERSONNEL BEGAN DEVELOPING A REORGANIZATION PLAN. REGIONAL PERSONNEL WERE NOT INVOLVED IN THE STUDY UNTIL VERY LATE IN THE PROCESS BECAUSE OF HEADQUARTERS' CONCERN THAT SOME EMPLOYEES MIGHT LEAVE PREMATURELY IF THEY BECAME AWARE OF THE CONSOLIDATION PLANS.

THE REORGANIZATION PLAN WAS PRESENTED TO THE REGIONAL DIRECTORS ON MAY 6, 1981. ON MAY 29, 1981, THE DIRECTOR, OMB APPROVED FAA'S REQUEST TO DEVIATE FROM OMB CIRCULAR A-105 WHICH PROVIDES FOR SITING OFFICES IN THE 10 FEDERAL REGIONS.

POSITIONS TO BE ELIMINATED

FAA ESTIMATED THAT 300 SUPERVISORY POSITIONS AND 100 SECRETARIAL, CLERICAL, AND TECHNICAL POSITIONS WOULD BE ELIMINATED. WE ASKED FAA HOW IT DETERMINED THAT 400 POSITIONS COULD BE ELIMINATED BY CONSOLIDATION. FAA ADVISED US THAT IT MADE A DIVISION BY DIVISION ANALYSIS OF THE REGIONAL HEADQUARTERS OFFICES TO BE CONSOLIDATED. FAA PROVIDED US WITH DOCUMENTS SHOWING SOME OF THE ANALYSES. WHILE THE CONCEPT OF ELIMINATING REDUNDANT POSITIONS APPEARS REASONABLE, THE DOCUMENTS PROVIDED WERE HARD TO FOLLOW AND IT WAS DIFFICULT TO IDENTIFY ALL OF THE POSITIONS THAT WOULD BE ELIMINATED.

THE INFORMATION PROVIDED BY FAA TO OMB INDICATES THAT ALL OF THE CUTS WILL COME FROM REGIONAL OFFICE HEADQUARTERS POSITIONS,

AND THAT THE NUMBER OF POSITIONS ASSIGNED TO THE VARIOUS FIELD OFFICES SUCH AS TO AIR TRAFFIC CONTROL TOWERS AND CENTERS, FLIGHT SERVICE STATIONS, AIRWAY FACILITIES, ETC., WILL BE UNCHANGED BY THE CONSOLIDATION. THEREFORE, FAA DOES NOT EXPECT THAT SERVICE TO THE AVIATION PUBLIC WILL BE LESSENERED OR THAT MISSION ACCOMPLISHMENT WILL BE NEGATIVELY IMPACTED.

WE DO NOT KNOW WHETHER OR NOT FAA'S CONTENTION IS APPROPRIATE. WE DID NOTE THAT THERE ARE POSITIONS IN THE REGIONAL HEADQUARTERS OFFICES, SUCH AS EVALUATORS OF FIELD FACILITIES, WHO IF REMOVED, MIGHT MAKE IT DIFFICULT TO ENSURE THAT APPROPRIATE LEVELS OF SERVICE ARE PROVIDED. OUR RECENT REPORT TO THE SECRETARY OF TRANSPORTATION ENTITLED "FAA CAN IMPROVE THE OPERATION OF ITS GENERAL AVIATION DISTRICT OFFICES" (CED81-114; DATED JUNE 29, 1981), COMMENTS ON THE VALUE OF EVALUATION OF GENERAL AVIATION DISTRICT OFFICES AND RECOMMENDED THAT HIGHER PRIORITY BE GIVEN TO CONDUCTING SUCH EVALUATIONS.

FAA SHOULD PROVIDE A LISTING OF INDIVIDUAL POSITIONS AND AN IDENTIFICATION OF THE RELATED DUTIES SO THAT AN INFORMED JUDGEMENT CAN BE MADE AS TO WHAT EFFECT THE ELIMINATION OF 400 POSITIONS FROM THE REGIONAL HEADQUARTERS OFFICES WILL HAVE.

ESTIMATED ANNUAL SAVINGS

FAA'S ESTIMATED ANNUAL SAVINGS OF \$19.2 MILLION INCLUDED: \$12.6 MILLION FOR THE SALARIES OF 400 POSITIONS ELIMINATED; \$1.3 MILLION FOR RELATED PERSONNEL BENEFITS; AND \$5.3 MILLION IN RENTS, UTILITIES, EQUIPMENT, ETC.. THIS LAST ITEM IS A NET SAVINGS, WHICH TAKES INTO CONSIDERATION ESTIMATED COST OF ADDITIONAL RENTS, UTILITIES, EQUIPMENT, ETC. AT THE REGIONAL OFFICES GAINING EMPLOYEES.

FAA COMPUTED THE SAVINGS IN SALARIES BY USING AN AVERAGE GRADE FOR ALL SUPERVISORS, AND FOR THE OTHER POSITIONS. AS STATED PREVIOUSLY, WITHOUT A LISTING OF POSITIONS, WE CAN NOT VERIFY FAA'S ESTIMATE.

THE ESTIMATE OF \$1.3 MILLION FOR PERSONNEL BENEFITS WAS COMPUTED AT 10.1 PERCENT OF THE SALARY SAVINGS. SEVEN PERCENT OF THIS AMOUNT IS FOR THE AGENCY'S ANNUAL CONTRIBUTION TO THE FEDERAL RETIREMENT SYSTEM. THIS COMPUTATION UNDERSTATES SUCH SAVINGS BECAUSE IT DOES NOT RECOGNIZE THAT THE ACTUAL ANNUAL ACCRUING COST OF THE FEDERAL RETIREMENT SYSTEM IS CONSIDERABLY MORE THAN THE AGENCY'S AND EMPLOYEE'S 7 PERCENT CONTRIBUTIONS.

DOCUMENTATION SUPPORTING THE ESTIMATES OF RENT, UTILITIES, EQUIPMENT, ETC., WAS EXTREMELY LIMITED. FAA TOLD US THAT BECAUSE HEADQUARTERS DID NOT WANT THE REGIONAL OFFICES TO BECOME AWARE OF THE CONSOLIDATION PLAN, VERY LIMITED DATA COULD BE SAFELY REQUESTED FROM THE REGIONAL OFFICES. FAA AGREED THAT THE ESTIMATES WERE VERY ROUGH AND WOULD MORE THAN LIKELY CHANGE WHEN MORE REGIONAL INPUT WAS AVAILABLE.

FAA ASSUMED THAT EVEN THOUGH GEOGRAPHICAL AREAS COVERED BY FEWER REGIONAL OFFICES WOULD BE LARGER AND WOULD REQUIRE MORE LONG DISTANCE TRAVEL, TRAVEL COSTS WOULD NOT INCREASE BECAUSE FEWER PEOPLE WOULD BE TRAVELING. FAA TOLD US THAT THE REGIONAL DIRECTORS AGREED WITH THIS ASSUMPTION. HOWEVER, WE DID NOTE THAT THE FEBRUARY 1981 STUDY LISTED AS A DISADVANTAGE OF A SIMILAR CONSOLIDATION THAT THERE WOULD BE INCREASED TRAVEL COSTS IN THE NEW REGIONS WEST OF THE MISSISSIPPI RIVER.

ESTIMATED ONE TIME COST OF CONSOLIDATION

FAA'S ESTIMATED ONE TIME COST OF \$22.3 MILLION INCLUDES: \$3 MILLION FOR SEVERANCE PAY; \$1.6 MILLION FOR LUMP SUM ANNUAL LEAVE PAYMENT; \$15.1 MILLION FOR PERMANENT CHANGE OF STATION MOVES FOR EMPLOYEES; \$800,000 FOR TERMINATION OF LEASES, AND MISCELLANEOUS EXPENSES; AND \$1.8 MILLION FOR MOVING EQUIPMENT AND OTHER PROPERTY.

EXCEPT FOR THE \$800,000 ITEM, THESE COSTS WERE COMPUTED USING (1) ESTIMATES OF THE NUMBERS OF EMPLOYEES THAT WOULD RETIRE, RESIGN, OR RELOCATE, AND (2) ESTIMATES OF AVERAGE AMOUNTS FOR THE VARIOUS ITEMS. BECAUSE FAA DID NOT WANT THE AFFECTED EMPLOYEES TO BE AWARE OF ITS PLANS, A KEY FACTOR WAS MISSING FROM THESE CALCULATIONS, NAMELY ACCURATE DATA ON THE DECISIONS THAT REGIONAL EMPLOYEES WOULD MAKE ONCE CONFRONTED WITH THE PLAN.

AS WITH MANY OF THE OTHER ESTIMATES, THE DOCUMENTATION SUPPORTING THE \$800,000 FOR TERMINATION OF LEASES AND MISCELLANEOUS EXPENSES WAS EXTREMELY LIMITED, AND WAS NOT BASED ON REGIONAL INFORMATION BUT ON FAA HEADQUARTERS DATA OR ESTIMATES.

CITY SELECTION

FAA SELECTED BOSTON (BURLINGTON), KANSAS CITY, AND SEATTLE FOR THE CONSOLIDATED REGIONAL OFFICE CITIES BECAUSE IT BELIEVES THESE CITIES OFFER MORE ADVANTAGES THAN NEW YORK, CHICAGO, AND LOS ANGELES. DETAILS ON THE FACTORS CONSIDERED BY FAA IN MAKING THESE SELECTIONS ARE SHOWN IN THE APPENDIX TO THIS STATEMENT.

FAA'S SUBMISSION TO OMB SHOWS THAT (1) THE SELECTED CITIES HAVE A LOWER COST OF LIVING WHICH WILL BE MORE ATTRACTIVE TO POTENTIAL EMPLOYEES, (2) THERE ARE PROBLEMS IN RECRUITING EXPERIENCED EMPLOYEES TO TRANSFER TO NEW YORK, CHICAGO, AND LOS ANGELES, AND (3) REGIONAL OFFICES IN BOSTON, KANSAS CITY,

AND SEATTLE ARE THE LEAD OFFICES WITH NATIONAL RESPONSIBILITY FOR MAINTAINING AND REVISING CERTAIN FEDERAL AVIATION REGULATIONS AFFECTING THE INDUSTRY AND FOR THE TYPE, PRODUCTION, AND ORIGINAL AIRWORTHINESS CERTIFICATION OR APPROVAL OF NEWLY MANUFACTURED AIRCRAFT, AIRCRAFT ENGINES, OR APPLIANCES, ETC..

FAA STATED THAT THE CITIES SELECTED HAVE (1) LOWER HOUSING COST AND BETTER HOUSING AVAILABILITY AND (2) LOWER TAXES GENERALLY AND, IN THE CASE OF WASHINGTON, NO STATE INCOME TAX. FAA TOLD US THAT ITS INFORMATION ON HOUSING CAME FROM ESSENTIALLY TWO SOURCES: (1) AN ANALYSIS OF QUESTIONNAIRES FILLED OUT BY FAA EMPLOYEES WHO GEOGRAPHICALLY RELOCATED IN 1979 AND (2) FAA HEADQUARTERS' TELEPHONE SURVEYS OF REAL ESTATE AGENTS AND REAL ESTATE EDITORS OF NEWSPAPERS IN THE VARIOUS CITIES. ON THE SURFACE, QUESTIONS ARISE AS TO HOW RELEVANT 1979 DATA MIGHT BE IN TODAY'S HOUSING MARKET AND HOW ADEQUATELY THE TELEPHONE SURVEYS WERE STRUCTURED.

FAA'S STATED RECRUITMENT PROBLEMS IN NEW YORK, CHICAGO, AND LOS ANGELES WERE NOT DOCUMENTED. FAA HEADQUARTERS OFFICIALS SAID THAT THEY HAD RELIED ON STATEMENTS MADE BY THE REGIONAL DIRECTORS THAT RECRUITMENT PROBLEMS WERE BEING EXPERIENCED.

FAA BELIEVES THAT IT IS IMPORTANT THAT THE LEAD REGIONAL OFFICES FOR CIVIL AERONAUTICAL PRODUCTS BE LOCATED AS CLOSE AS POSSIBLE TO THE AREAS WHERE THE MAJORITY OF THE DEVELOPMENT AND MANUFACTURE OF THE VARIOUS PRODUCTS TAKES PLACE. FAA STATED THAT SUCH LOCATION ENABLES ITS REGIONAL DIRECTOR AND HIS STAFF OF SPECIALISTS, ENGINEERING MANAGERS, AND FLIGHT STANDARDS OPERATION AND MAINTENANCE PERSONNEL TO STAY INTIMATELY INVOLVED IN THE ACTIVITIES OF THE MANUFACTURERS.

KANSAS CITY WAS DESIGNATED BECAUSE THE MAJORITY OF GENERAL AVIATION AIRCRAFT ARE DEVELOPED AND BUILT IN KANSAS. SEATTLE WAS DESIGNATED BECAUSE BOEING WAS BECOMING THE DOMINANT MANUFACTURER OF LARGE TRANSPORT CATEGORY AIRCRAFT. MOST MAJOR AVIATION ENGINES ARE MANUFACTURED IN THE NORTHEASTERN PART OF THE UNITED STATES. BOSTON WAS DESIGNATED LEAD REGION RESPONSIBILITY FOR ENGINES IN THE FALL OF 1979 BECAUSE IT WAS ABLE TO HIRE TOP INDUSTRY ENGINE EXPERTS. FAA EXPRESSED CONCERN THAT IF THESE EXPERTS WERE FORCED TO RELOCATE, MANY OF THEM WOULD ELECT NOT TO MOVE.

DOCUMENTATION PROVIDED BY FAA WAS NOT SUFFICIENTLY DETAILED TO IDENTIFY THE UNIQUE DUTIES AND FUNCTIONS REQUIRING THAT FAA REGIONAL OFFICES BE LOCATED CLOSE TO MANUFACTURERS PLANTS. TIME DID NOT PERMIT US TO VISIT FAA'S REGIONAL OFFICES TO REVIEW THE ACTIVITIES AND PERSONNEL INVOLVED IN CARRYING OUT LEAD REGION RESPONSIBILITIES.

OTHER ANNOUNCED POSITION CUTS

IN ADDITION TO THE ANNOUNCED POSITION CUTS ANTICIPATED FROM THE REGIONAL REORGANIZATION, FAA IDENTIFIED CUTS OF 2,575 POSITIONS AT HOUSE HEARINGS ON ITS FISCAL YEAR 1982 APPROPRIATION REQUEST. FAA STATED THAT THESE CUTS WOULD BE IN AIR TRAFFIC (1,200); SYSTEMS MAINTENANCE AND FACILITIES AND EQUIPMENT (800); GRANT PROGRAM ADMINISTRATION (40); CIVIL AVIATION SECURITY (20); ADMINISTRATION AND OVERHEAD (165); TRAINING (60); MATERIAL AND PLANT MAINTENANCE (30); AND AVIATION STANDARDS (260).

OTHER THAN THE EXPLANATION FOR THE CUTS PROVIDED BY FAA AT THE HEARINGS, WE HAVE LITTLE INFORMATION OR COMMENTS BEARING ON THESE CUTS. TWO OF OUR RECENT REPORTS HAVE COVERED SOME OF

THE FUNCTIONS AND ACTIVITIES IN WHICH STAFFING CUTS ARE PLANNED. FAA STATED THAT 330 OF THE STAFF CUTS IN AIR TRAFFIC WILL RESULT FROM CLOSING LESS EFFICIENT FACILITIES AND PART-TIMING THOSE WHICH HAVE LIGHT WORKLOADS DURING CERTAIN HOURS. ON JUNE 1, 1981, WE ISSUED A REPORT TO THE CONGRESS ENTITLED "FAA MISSES OPPORTUNITIES TO DISCONTINUE OR REDUCE OPERATING HOURS OF SOME AIRPORT TRAFFIC CONTROL TOWERS" (CED81-100). THE REPORT IDENTIFIES OPPORTUNITIES FOR SAVINGS IN OPERATING AIRPORT TRAFFIC CONTROL TOWERS.

IN THE AREA OF AVIATION STANDARDS, FAA ESTIMATES THAT 130 POSITIONS CAN BE SAVED BY PROVIDING FIELD INSPECTORS WITH DICTATING EQUIPMENT AND PROVIDING GENERAL AVIATION DISTRICT OFFICES AND OTHER FIELD ELEMENTS WITH MODERN PROCESSING EQUIPMENT. IN OUR RECENT REPORT TO THE SECRETARY OF TRANSPORTATION ENTITLED "FAA CAN IMPROVE THE OPERATION OF ITS GENERAL AVIATION DISTRICT OFFICES" (CED81-114, DATED JUNE 29, 1981), WE CONCLUDED THAT FAA HAS NOT THOROUGHLY ASSESSED THE BENEFITS OF USING THE NEW EQUIPMENT. FOR EXAMPLE, MUCH OF THE SAVINGS ARE BASED ON THE ASSUMPTION THAT DICTATION IS FOUR TIMES FASTER THAN LONGHAND; HOWEVER, A GOOD DEAL OF AN INSPECTOR'S WORK INVOLVES FILLING OUT FORMS RATHER THAN PREPARING NARRATIVE REPORTS. HOW MUCH FAA WILL ACTUALLY SAVE IS UNCLEAR.

MR. CHAIRMAN THIS CONCLUDES MY STATEMENT. WE WILL BE PLEASED TO RESPOND TO YOUR QUESTIONS.

EASTERN REGION

Establishing a regional headquarters near Boston (Burlington, Mass.) will allow the agency to provide a variety of benefits to those employees who elect to move. The Burlington area has a number of attractive factors such as more diverse housing alternatives, lower housing costs, less commuting time because of lower population density, and opportunities for reduced state and city income taxes.

COMPARATIVE DATA		BOSTON (BURLINGTON)	NEW YORK (QUEENS)
		PSNS	ANNUAL PAYROLL
FAA PRESENCE:	NO AFTER		2290 \$56,643,440 1660 \$41,061,760
1.	POPULATION	562,994	7,071,030
2.	HOUSING DATA		
A.	AVG COST HOUSING	\$65,000	\$110,000
B.	EMPLOYEE SURVEY DATA*		
a.	LOCATION DESIRABILITY	50%	47%
b.	WOULD REPEAT THE MOVE	50%	10%
c.	HOUSE PRCNT INCREASE		
1.	1975 (ACTUAL OVER PREVIOUS COSTS)	+\$106.33	+\$206.63
2.	1981 (ESTIMATED OVER 1975 COSTS)	+\$304.00	+\$751.00
3.	HOUSING VACANCY RATE	1.3%	2.01**
4.	AVG COMMUTE TIME	1/2 to 1 HOUR	1 to 2 HOURS
5.	POPULATION DENSITY	LOW	HIGH
6.	AVIATION HUB	LARGE	LARGE
7.	OFFICE SPACE	YES	QUESTIONABLE
8.	ACCESSIBILITY	EXCELLENT	EXCELLENT
9.	LOCAL IMPACT OF MOVE	NEGLECTIBLE	NEGLECTIBLE
10.	NOTE:	Boston site is Burlington, which has a lower cost of living. The commuting area around Burlington is assumed to be the site of new regional office.	Agency in the past has desired to move regional office from this area. **Overall quality of housing available is questionable.
	*Source: EMPLOYEE HOUSING SURVEY, 1979 by AMS-550.		
	ADVANTAGES	<ul style="list-style-type: none"> •Lead region for propulsion. •Accessible to remainder of region and Europe. •Federal Regional City. •Provides a nucleus for staffing new region. •High technology area. •Near TSC, universities. •Near lower cost of living area. •Bus service available from downtown. •40 percent greater employee preference for Boston area. 	<ul style="list-style-type: none"> •Has Accounting/ADF. •Very accessible to remainder of region & Europe. •Provides a nucleus for staffing new region. •Federal Regional City.
	DISADVANTAGES	<ul style="list-style-type: none"> •Does not have accounting/ADF, would have to be phased in. •May lose key specialists when large region moves to smaller one. 	<ul style="list-style-type: none"> •Very high cost area. •Hard to recruit anyone except New Yorkers. •Additional office space not available at current site. •Lower employee preference.

CENTRAL REGION

Consideration of both agency and employee cost factors make Kansas City the preferred site for the regional office in the reconfigured Central region. The Kansas City selection offers attractive housing opportunities, with homes in the 50-60 thousand dollar range, cost savings to the agency by locating in a lower cost area, and a preferred living environment. Employees who elect to relocate in the Kansas City area will also benefit from lower state and personal taxes, and decreased commuting time. The factors which support the selection of the Kansas City site are shown below.

COMPARATIVE DATA	KANSAS CITY		CHICAGO	
	PSNS	ANNUAL PAYROLL	PSNS	ANNUAL PAYROLL
FAA PRESENCE:			2120	\$52,440,320
NON-APFER			1530	\$37,846,080
1. POPULATION		448,159		3,005,072
2. HOUSING DATA				
A. AVG COST HOUSING		\$55,000		\$100,000
B. EMPLOYEE SURVEY DATA*				
a. LOCATION DESIRABILITY		54%		43%
b. WOULD REPEAT THE MOVE		62%		38%
C. HOUSE PMT INCREASE(MC)				
1. 1975 (ACTUAL OVER PREVIOUS COSTS)		+\$225.38		+\$207.38
2. 1981 (ESTIMATED OVER 1975 COSTS)		+\$108.00		+\$680.00
3. HOUSING VACANCY RATE		3.2%		1.6%
4. AVG COMMUTE TIME		1/2 to 1 HOUR		1 to 2 HOURS
5. POPULATION DENSITY		LOW		HIGH
6. AVIATION HUB		LARGE		LARGE
7. OFFICE SPACE		YES		YES
8. ACCESSIBILITY		EXCELLENT		EXCELLENT
9. LOCAL IMPACT OF MOVE		NEGLECTIBLE		NEGLECTIBLE
10. NOTE: *Source:EMPLOYEE HOUSING SURVEY, 1975 by AMS-550		Attractive living environment. Former headquarters of what are now Central/Great Lakes regions.		Transportation hub of U.S.
ADVANTAGES		<ul style="list-style-type: none"> •Lead region for small aircraft. •Provides a nucleus for staffing new region. •Lower cost of living area. •Federal Regional City. •Many Great Lakes employees came from Kansas City. •Has Accounting/ADP. •has mass transportation. 		<ul style="list-style-type: none"> •Lead region for propellers. •Very accessible to remainder of region, hub city. •Provides a nucleus for staffing new region. •Mass transportation available. •Federal Regional City.
DISADVANTAGES		<ul style="list-style-type: none"> •Availability of additional office space uncertain. 		<ul style="list-style-type: none"> •High cost of living area, difficult to recruit for. •Does not have accounting, ADP.

WESTERN REGION

The selection of Seattle is designed to respond to the diverse clientele the FAA must serve. The FAA presence in Denver, Los Angeles, and Honolulu will remain strong. The Seattle regional office site will conserve agency resources, is a preferred living area for FAA employees, and also offers diversified recreational and cultural opportunities for its employees.

COMPARATIVE DATA		SEATTLE		LOS ANGELES		DENVER		HONOLULU	
		PSNS	ANNUAL PAYROLL	PSNS	ANNUAL PAYROLL	PSNS	ANNUAL PAYROLL	PSNS	ANNUAL PAYROLL
FAA PRESENCE:	NEW AFTER			1400 890	\$16,609,280 \$2,015,040	1340 1070	\$33,146,240 \$25,210,720	700 520	\$17,115,200 \$12,862,720
1.	POPULATION		493,846		2,996,763		491,396		762,874
2.	HOUSING DATA								
A.	AVG COST HOUSING		\$80,000		\$130,000		\$70,000		\$150,000
B.	EMPLOYEE SURVEY DATA*								
a.	LOCATION DESIRABILITY		69%		28%		73%		39%
b.	WOULD REPEAT THE MOVE		42%		44%		67%		27%
c.	HOUSE PYMT INCREASE (MO)								
1.	1979 (ACTUAL OVER PREVIOUS COSTS)		+\$157.21		+\$617.88		+\$253.13		+\$621.85
2.	1981 (ESTIMATED OVER 1979 COSTS)		+\$349.00		+\$717.00		+\$296.00		+\$353.00
3.	HOUSING VACANCY RATE		2.5%		1.5%		3.2%		.8%
4.	AVG COMMUTE TIME		1/2 to 1 HOUR		1 to 2 HOURS		1/2 to 1 HOUR		1/2 to 1 HOUR
5.	POPULATION DENSITY		LOW		HIGH		LOW		HIGH
6.	AVIATION HUB		LARGE		LARGE		GOOD		GOOD
7.	OFFICE SPACE		YES		YES		LARGE		LARGE
8.	ACCESSIBILITY		EXCELLENT		EXCELLENT		YES		YES
9.	LOCAL IMPACT OF MOVE		NEGATIVE		NEGATIVE		GOOD		POOR
10.	NOTE:		Mild, but moist climate, major aircraft industry.				NEGATIVE		NEGATIVE
*Source: EMPLOYEE HOUSING SURVEY, 1979 by AEG-550									
1 ADVANTAGES			<ul style="list-style-type: none"> •Lead region for large aircraft. •Gateway to Alaska. •Hub city, easy access to remainder of region & Orient. •Good office space available. •Attractive living area, no state income tax, housing more available. •Federal regional city. •Provides a nucleus for staffing new region. 		<ul style="list-style-type: none"> •Has accounting & ADP. •Very accessible to rest of region, large hub. •Fewer people would have to move if region located here. •Provides a nucleus for staffing. 		<ul style="list-style-type: none"> •Federal regional city. •Provides a nucleus for staffing new region. •Attractive living area, with training available. •Good office space available. 		<ul style="list-style-type: none"> •Very desirable employee location.
DISADVANTAGES			<ul style="list-style-type: none"> •Does not have accounting & ADP, would have to be phased in. •May lose key specialists when large region moved to smaller one. 		<ul style="list-style-type: none"> •High cost area. •Hard to attract employees to this city, housing is difficult to obtain. •High competition for clerical employees. 		<ul style="list-style-type: none"> •Does not have accounting & ADP, would have to be phased in. •May lose key specialists when large region moved to smaller one. •Far from major aircraft manufacturing area. •Not readily accessible to Alaskan & Pacific areas. 		<ul style="list-style-type: none"> •Does not have accounting & ADP, would have to be phased in. •May lose key specialists when large region moved to smaller one. •Expensive cost of living allowance required. •Inaccessible to major portion of region.