

**STATEMENT OF CHAIRMAN DANNY K. DAVIS
AT THE
SUBCOMMITTEE ON FEDERAL WORKFORCE, POSTAL SERVICE,
AND THE DISTRICT OF COLUMBIA
HEARING ENTITLED**

“In Search of Equity: An Examination of Locality Pay.”

June 26, 2008

This hearing, entitled, **“In Search of Equity: An Examination of Locality Pay,”** serves as a follow-up to a hearing the Subcommittee previously held during the first session of the 110th Congress that broadly examined, issues related to federal pay and administration policies.

Today’s hearing, however, will focus on concerns associated with locality pay, including calculation, geographical application and the determination of an employees primary duty station for locality pay purposes.

Keeping in line with the Subcommittee’s efforts and interests in enhancing the federal government’s ability to recruit and retain a highly qualified workforce that can operate and function in a manner that meets the challenges of the 21st century. It is my hope that the testimony presented today will help us better understand the formula for which locality payments are based and to determine if this basis serves as the most practical methodology to reflect the realities that federal employees, particularly those in high cost areas, face in providing for their general welfare and that of their families.

Adding locality pay to the base salaries of nearly 2.7 million civilian workers in over 800 different occupations throughout the country, the federal government has committed itself to making sure its employee compensation systems accommodate workers fairly. However, the question we are examining today is whether the calculation of locality payments, as currently prescribed, actually meets this objective. This is in addition to the pay levels and benefits federal agencies currently have in place.

In addition to locality pay issues, this hearing is also intended to explore other recently introduced federal pay related proposals put forth by my colleagues in both the House and Senate as well as by the Office of Personnel Management (OPM). These include:

- S. 3013, the “Non-Foreign Area Retirement Equity Assurance Act of 2008”, which converts white-collar federal employees in the non-foreign areas to a locality pay system;
- OPM’s “Locality Pay Extension Act of 2007”, aims to extend locality pay to white-collar employees in the non-foreign areas;

- H.R. 1786, introduced by Rep. Faleomavaega, would amend title 5, U.S.C. “to allow Federal employees stationed in American Samoa to receive non-foreign area cost-of-living allowances as if stationed in Guam or the Commonwealth of the Northern Mariana Islands;
- H.R. 2375, the “Southeastern Massachusetts and Rhode Island Federal Worker Fairness Act of 2007,” seeks to provide pay parity in the Federal Wage System’s prevailing rate for blue collar federal employees in certain high-cost areas; and
- H.R. 3202, the “Foreign Service Overseas Pay Equity Act of 2007” would amend the Foreign Service Act of 1980 to extend comparability pay adjustments to members of the Foreign Service assigned to posts abroad and for other purposes.

I’d like to thank Representatives Barney Frank, Neil Abercrombie as well as the Foreign Service Association and the Federal Managers Association for submitting their valuable testimony for record and I look forward to hearing the testimony of the witnesses joining us today, as we discuss a wide range of federal pay related issues.

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