

## FEDERAL PREVAILING RATE ADVISORY COMMITTEE

569th FPRAC

**SHELDON FRIEDMAN**, Chairperson, Presiding

Thursday, December 15, 2011

Room 5526  
Office of Personnel Management  
Washington, D.C.

## ATTENDANCE:

## Members/Alternates:

Management Members**MARK ALLEN**, Office of Personnel Management  
**SETH SHULMAN**, Department of Defense  
**BARBARA WALKER**, Department of the Army  
**CARLOS SAAVEDRA**, Department of the NavyLabor Members**WILLIAM (Bill) FENAUGHTY**, NFFE, representing MTD  
**STEVEN FISHER**, ACT  
**JACQUELINE SIMON**, AFGE  
**J. DAVID COX**, AFGE  
**SARAH SUSZCZYK**, NAGE

## Staff Specialists and Visitors:

**MADELINE GONZALEZ**, Office of Personnel Management  
**TERRI AVONDET**, Office of Personnel Management  
**JIM BRADY**, Department of Defense  
**REBECCA CHAVES**, Department of Defense  
**H.L. ROVAN**, Department of Defense  
**KARL FENDT**, Department of Defense  
**DARLENE FREEMAN**, USAF  
**TAMMY VAN KEUREN**, USAFRecording Secretary: **FEBBIE GRAY**

[Transcript prepared from digital audio produced by FPRAC.]

C O N T E N T S

	<u>Page</u>
I. <u>Opening/Announcements</u>	
• Introductions.....	3
• Announcements.....	4
II. <u>Review of the Minutes of 568th Meeting.....</u>	4
III. <u>Old Business</u>	
a. Review of Lee County, Virginia, 557-MGT-2	
- Total Employment in the Eastern Tennessee	
Wages Area by County, 566-OPM-1	
- List of FWS Wage Areas with Fewer than 500	
Employees, 566-OPM-2	
- Review of Criteria for Defining Appropriated	
Fund Wage Areas, 545-OC-1 [REPRINT]	
b. Discussion of Survey Issues/Concerns	
- FPRAC's Chairman's Memorandum to Members on	
Survey Issues Work Group, 561-OC-1	
c. Special Wage Schedule Pay Practice for Federal	
Wage System Lock and Dam Employees, 562-MGT-1	
d. Definition of South Bend-Mishawaka, IN-MI	
Metropolitan Statistical Area, 562-MGT-2	
e. Abolishment of Montgomery, Pennsylvania, as a	
Nonappropriated Fund Federal Wage System	
Wage Area, 564-MGT-3.....	5
f. Letter from the American Federation of Government	
Employees, dated June 6, 2011, requesting FPRAC	
review a proposal to redefine Monroe County, PA,	
from the Scranton-Wilkes-Barre, PA, wage area to	
the New York, NY, wage area, 564-AFGE-1	

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## P R O C E E D I N G S

**CHAIRMAN FRIEDMAN:** Good morning, everyone, and welcome to the 569th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, and I am the committee Chairman.

As we usually do, why don't we go around the room and introduce ourselves. Mark, why don't you start?

**MR. ALLEN:** Mark Allen with OPM.

**MR. SHULMAN:** Seth Shulman, Department of Defense.

**MS. WALKER:** Barbara Walker, Army.

**MR. SAAVEDRA:** Carlos Saavedra, Department of the Navy.

**MR. FENAUGHTY:** Bill Fenaughty, Metal Trades and NFFE.

**MR. FISHER:** Steve Fisher, ACT.

**MS. SUSZCZYK:** Sarah Suszczyk, NAGE.

**CHAIRMAN FRIEDMAN:** And if folks along the side of the room would also introduce themselves, please?

**MS. GONZALEZ:** Madeline Gonzalez with OPM.

**MS. AVONDET:** Terri Avondet, OPM.

**MR. BRADY:** Jim Brady, DoD.

**MR. FENDT:** Karl Fendt, DoD.

**MS. FREEMAN:** Darlene Freeman, Department of the Air Force.

**MS. VAN KEUREN:** Tammy Van Keuren, Department of Air Force.

**MS. CHAVES:** Becky Chaves, DoD.

**MR. ROVAN:** Hank Rován, DoD.

**MS. GRAY:** Febbie Gray, OPM.

**CHAIRMAN FRIEDMAN:** Thank you.

Well, I think we'll have a fairly short meeting today, because we don't want to delay our holiday party too much, and we also have a working group meeting after that.

One announcement: the meeting dates for 2012 have been circulated to everyone, and they're also, I see, listed on the agenda.

Has everybody had a chance to review the minutes of the last meeting in October, and are there any changes to those minutes beyond those that we've already heard about from people?

[No audible response.]

**CHAIRMAN FRIEDMAN:** If not, is there a consensus to adopt those minutes?

**MR. ALLEN:** Yes.

**CHAIRMAN FRIEDMAN:** There seems to be a consensus. Good. Minutes are adopted.

That brings up old business. I have heard that there

might be a discussion today of Item (e) that we've been carrying around for a while, abolishment of Montgomery, Pennsylvania, nonappropriated fund wage area, 564-MGT-3.

There was discussion back and forth at a couple of our prior meetings, and some Labor folks made a counter-proposal. Management folks were going to study the issue and report back to the committee. So the floor is open. I'm hoping we'll get a bit closer towards a quorum any minute, but let's go ahead and start talking about the issue at least.

**MR. ALLEN:** Mr. Chairman, the original management proposal under 564-MGT-3 recommended abolishing the Montgomery, Pennsylvania, nonappropriated fund wage area, and redefining some of its constituent counties to other nonappropriated fund wage areas.

What 564-MGT-3 recommended was that Montgomery and Philadelphia Counties, Pennsylvania, be redefined as areas of application to the Burlington, New Jersey, wage area; that Chester County, Pennsylvania, be redefined to the Harford, Maryland, NAF wage area; that Luzerne County, Pennsylvania, be redefined to the Morris, New Jersey, nonappropriated fund wage area; and that Bucks County, New Jersey, be removed from the wage area definition because there are no longer any employees there.

After hearing from Labor members in regard to Chester County, which is represented by NAGE, the Management members would like to modify our recommendation that was in 564-MGT-3, in the degree that we recommend now that Chester County, Pennsylvania, be redefined as an area of application to the Burlington, New Jersey, wage area.

The reason we think that is the appropriate thing to do is not strictly based on the primary regulatory criterion we look at, which is distance. If we looked at it in terms of distance alone, then Harford would be the appropriate wage area for it to be defined to, but when we consider that Chester County is part of the Greater Philadelphia Metropolitan Area, then we believe it's more appropriate to define it to the Burlington, New Jersey, wage area.

**CHAIRMAN FRIEDMAN:** Why don't I stop there and have our two new arrivals introduce themselves for the record.

**MR. COX:** J. David Cox with the American Federation of Government Employees.

**MS. SIMON:** Jacque Simon, AFGE.

**CHAIRMAN FRIEDMAN:** Just to bring you quickly up to date, we adopted the minutes from our last meeting, and we are now talking about item (e) under Old Business, abolishment of

Montgomery, Pennsylvania, as a nonappropriated fund wage area, and Mark has just presented a modification to the original Management proposal as follow-up to a discussion we had a few meetings back about that and Labor's counter-proposal at that time.

Is there any discussion of Mark's latest proposal?

**MS. SUSZCZYK:** I was trying to find the charts in my materials, but I don't seem to have them.

The employees that would be considered under the Burlington area from Chester County, they'd be positively impacted by the change? I know that considering them under Harford would have resulted in a pay decrease.

**MR. ALLEN:** Yes, they would.

**MS. SUSZCZYK:** Okay.

**CHAIRMAN FRIEDMAN:** Any other discussion or questions about this one?

[No audible response.]

**CHAIRMAN FRIEDMAN:** Is there consensus to --

**MS. SIMON:** So it looks like they're going to go into the New Jersey --

**MR. ALLEN:** Burlington.

**MS. SUSZCZYK:** Burlington.

**CHAIRMAN FRIEDMAN:** The change from the original proposal is that Chester County, Pennsylvania, would be moved to the Burlington nonappropriated fund wage area.

**MS. SIMON:** So all the counties that are moving are moving to the same place; is that correct?

**MR. ALLEN:** No. Luzerne County, I believe that's where Wilkes-Barre is --

**MS. SIMON:** Okay.

**MR. ALLEN:** -- would move to the Morris, New Jersey, NAF wage area.

**CHAIRMAN FRIEDMAN:** If you guys need a map, you're welcome to share mine if you want to. Here's a map if anybody wants it.

**MS. SIMON:** Okay. I am remembering now.

**MS. SUSZCZYK:** Could we take a caucus for a minute?

**CHAIRMAN FRIEDMAN:** Certainly. We have the Small Pendleton room for caucuses.

**MS. SUSZCZYK:** Thank you.

[Off the record for Labor Members caucus.]

**CHAIRMAN FRIEDMAN:** Okay. We are back in session.

Any response from the Labor side to the revised proposal from Management?



**MR. COX:** I think we're in agreement.

**CHAIRMAN FRIEDMAN:** Okay. So there's consensus on 564-MGT-3, as revised. Cool! We adopted it. Okay, very good.

I don't think any of the other Old Business items need attention this morning, but if others have a different view, let me know. Going once, twice, three times.

[No audible response.]

**CHAIRMAN FRIEDMAN:** Are there any New Business items this morning?

**MR. COX:** I would like to go back and ask sort of where we're at with AFGE's proposal, you know, consolidating and not crossing over. We're fixing the second year of the pay freeze, but that pay freeze should come off in 2013, and so where are we with getting all of our ducks in a row, so that that can occur and happen?

**CHAIRMAN FRIEDMAN:** Well, we have a working group that's working on it. The Director had asked that the working group have its report back to FPRAC by the end of this year and is eager to hear what FPRAC then has to recommend to him.

I have been hearing from folks on the Management side that are doing the work that they feel they need more time than December 31st. I think in the working group meeting that we're

going to have right after this FPRAC meeting, one of the important items we have to talk about is precisely the timeline for wrapping this up. I don't know if --

**MS. SIMON:** Would it be possible -- I mean, I -- I don't know, you know, how much more time, but would it be possible for the staff to submit to the Director what they have so far, with an acknowledgement that further work could be done in terms of filling out detail?

But from our work group meeting, I think certainly all the conceptual work has been completed, and I don't think there's any good reason to draw this out. The Director asked for something at the end of the calendar year. I think we should provide him with something, and even if it's not finished to the last detail and the last four-place decimal number, a broad outline and plenty of detail has been provided and plenty of -- and like I said, as far as I understand, all the important decisions have been made about how the -- what the whole thing might look like, once implemented.

And that's, I think, from my understanding of what the Director asked for, that was really what he was asking for, what would the map look like, how much will it cost, who will be where, and, you know, if there are some small detail questions

that aren't completely, fully answered, that can occur later. But I feel as though something should be given to the Director by the end of the calendar year, as he requested.

**CHAIRMAN FRIEDMAN:** Anybody over here have any comment on this?

[No audible response.]

**MR. ALLEN:** At this point, the working group has completed a lot of the work that needs to be done to answer the questions that Director Berry had posed to the Committee.

The working group is tasked with reporting to FPRAC, not with reporting to Director Berry. So I think after the working group meeting today, we can determine from the working group, in which Sheldon is the Chairman, the next step about how the working group wants to communicate back to FPRAC, and then it would be up to FPRAC to make a recommendation to the Director.

Under the Federal Advisory Committee Act, a working group cannot make a recommendation to --

**MS. SIMON:** Sure, I understand, Mark. I just -- I feel like at least some of the delay has been, you know, tied to data requests from DoD, and DoD has its own schedule and its own set of responsibilities and has been able to provide some data, but maybe not as much data as the people putting together the report

would have liked to in order to fully elaborate their model.

And I don't know that the model needs all of it, all of the data. I don't know that the model needs to be fully elaborate before it gets submitted to either FPRAC or Director Berry, given -- given the, you know, time constraints that DoD faced, because I know that we heard that repeatedly, like, "Of course, we'll get you that data, but we have these five things scheduled in the interim and won't be able to get them to you until" -- whenever, which is all perfectly legitimate. It's just that that shouldn't delay getting a product to FPRAC or the Director.

**CHAIRMAN FRIEDMAN:** Any other discussion on this?

[No audible response.]

**CHAIRMAN FRIEDMAN:** Obviously, we will revisit this theme in the working group.

I have to say personally it does concern me if we miss the deadlines that the Director has asked us to meet, and we ought to have a clear idea of when we are going to wrap this thing up and also do it in a way that will be timely, but I don't know what more we can do sitting in here about that. But we will take this up in the working group.

Anything else on this issue?

[No audible response.]

**CHAIRMAN FRIEDMAN:** Okay. Is there other New Business?

[No audible response.]

**CHAIRMAN FRIEDMAN:** If not, a motion to adjourn, so we can have our party, would be in order.

[Laughter.]

**MR. COX:** So moved.

**CHAIRMAN FRIEDMAN:** Okay.

**MR. ALLEN:** And second.

**CHAIRMAN FRIEDMAN:** Okay. And hearing no objections, we are adjourned, and Happy Holidays to everyone.

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