

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

564th FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, June 16, 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**CARLOS SAAVEDRA**, Department of Navy**PAMELA SOKOL**, Department of Army**THURSTAN HUNTER**, Department of Veterans AffairsLabor Members**DENNIS PHELPS**, Metals Trade Department**SARAH SUSZCZYK**, NAGE**JACQUELINE SIMON**, AFGE**TERRY GARNETT**, ACT

Staff Specialists and Visitors:

MADELINE GONZALEZ, Office of Personnel Management**TERRI AVONDET**, Office of Personnel Management**JEROME MIKOWICZ**, Office of Personnel Management**CHARLES D. GRIMES III**, Office of Personnel Management**VICKY HERANA**, Department of Defense**BILL BECHT**, Department of Defense**STEVE RUMBLE**, Department of Defense**JIM BRADY**, Department of Defense**H.L. "Hank" ROVAN**, Department of Defense**KARL FENDT**, Department of Defense**BECKY CHAVES**, Department of DefenseRecording Secretary: **VANNESSA BROWN**

[Transcript prepared from digital audio produced by FPRAC.]

C O N T E N T S

	<u>Page</u>
I. <u>Opening/Announcements</u>	
• <u>Introductions</u>	3
• <u>Announcements</u>	
- H.R. 1540, House National Defense Authorization Act, FY2012 Report Language on the Federal Wage System, 564-OC-1.....	4
- Labor Participation Memo, 564-OC-2.....	4
- FPRAC Chairman's Response to Senator Robert P. Casey Jr.'s May 19, 2011, letter, 564-OC-3.....	5
II. <u>Review of the Minutes of the 563rd Meeting</u>	5
III. <u>Old Business</u>	
• <u>Review of Lee County, Virginia, 557-MGT-2</u>	20
• <u>Discussion of Survey Issues/Concerns</u>	
- FPRAC's Chairman's Memorandum to Members on Survey Issues Work Group, 561-OC-1.....	20
• <u>Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam Employees, 562-MGT-1</u>	20
• <u>Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area, 562-MGT-2</u>	22
IV. <u>New Business</u>	
• <u>Definition of Killeen-Temple-Fort Hood, TX Metropolitan Statistical Area, 564-MGT-1</u>	23
• <u>Definition of College Station-Bryan, TX Metropolitan Statistical Area, 564-MGT-2</u>	25
• <u>Abolishment of Montgomery, PA as a Nonappropriated Fund Federal Wage System Wage Area, 564-MGT-3</u>	30
• <u>Abolishment of Monmouth, NJ as a Nonappropriated Fund Federal Wage System Wage Area, 564-MGT-4</u>	34
• <u>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 New York, NY Wage Area, 564-AFGE-1</u>	36

P R O C E E D I N G S

CHAIRMAN FRIEDMAN: Good morning, everyone.

Welcome to this 564th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chairman of FPRAC, and as we usually do, why don't we go around the table and have the members of the committee introduce themselves.

MR. ALLEN: Mark Allen with OPM.

MR. SHULMAN: Seth Shulman, DoD.

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

MS. SOKOL: Pamela Sokol, Department of the Army.

MR. HUNTER: Thurstan Hunter, Department of Veterans Affairs.

MR. GRIMES: Chuck Grimes, OPM.

MR. PHELPS: Dennis Phelps with the Metal Trades Department.

MS. SIMON: Jackie Simon, AFGE.

MS. SUSZCZYK: Sarah Suszczyk, NAGE.

MR. GARNETT: Terry Garnett, Association of Civilian Technicians.

CHAIRMAN FRIEDMAN: And if the visitors and observers would also introduce themselves, those who are seated in the back?

MS. GONZALEZ: Madeline Gonzalez with OPM.

MR. RUMBLE: Steve Rumble, Department of Defense.

MS. AVONDET: Terri Avondet, OPM.

MR. MIKOWICZ: Jerry Mikowicz, OPM.

MS. HERANA: Vicky Herana, DoD.

MR. BECHT: Bill Becht, DoD.

MR. FENDT: Karl Fendt, DoD.

MR. BRADY: Jim Brady, DoD.

MS. CHAVES: Becky Chaves, DoD.

MR. ROVAN: Hank Rován, DoD.

MS. BROWN: Vannessa Brown, OPM.

CHAIRMAN FRIEDMAN: Okay. Thank you.

We'll get started with a few quick announcements.

We put in your packets the report language from the House National Defense Authorization Act on the Federal Wage System. Any questions about that?

[No audible response.]

CHAIRMAN FRIEDMAN: Also, the Labor participation

memo I drafted pursuant to the discussion that we had at our last meeting of the Director's decision regarding the recommendation that FPRAC made last October concerning AFGE-557-1.

I would like us to actually discuss that a bit because it appears there is not consensus about that memo, which I find unfortunate. I want us to talk about it in a few minutes, if we can.

Let's at least get our minutes from the last meeting adopted and then come back to that.

And also circulated my response to the letter that we received from Senator Casey, which his staffperson read into the transcript of our last meeting.

Which brings up the review of the transcript of our last meeting. I trust everyone has received it. Did anyone not get it?

[No audible response.]

CHAIRMAN FRIEDMAN: Sounds like everyone got it.

Are there any further edits beyond those we've already received from people?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, is there any objection to adopting the transcript from our last meeting?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing no objection, the transcript is adopted.

What I would like to do is take just a very brief while to discuss a bit further the way ahead on this issue of the Labor members' request for participation in the analysis and report of the proposal to not subdivide GS locality pay areas between Federal Wage System wage areas.

I got that backwards. You guys know what I'm talking about if I got it backwards.

Anyway, the Labor members expressed a strong preference at our last meeting to not just simply be presented with a report at the end of this year but have an opportunity to be involved in the analysis, the issues, and then the other aspects of that report that would lead up to its finalization.

And I had thought there was actually some recidivity on the Management side that this would represent value-added in the process. I, to kind of move things

along, offered to draft a short statement to that effect, which was circulated, and apparently, there's not consensus on the management side about that statement, which would be a request that was made to Director Berry.

What I would suggest at this point, rather than belabor that, if there is not consensus about it, I find it unfortunate that if there is not a feeling that there would be value-added by such Labor involvement at an earlier stage, but perhaps the way to move ahead is if the Labor members feel strongly about this, they should simply write Director Berry directly about it. I don't know any other way to move ahead on this. I don't think it makes sense to have a huge long discussion in here about it.

MS. SIMON: Well, obviously, we can do that, but I would still very much like communication from you reflecting the fact that we discussed it and that there was at least some support on the Management side as well as some opposition, so that we don't have a unanimity in support for this, but we had broad support for it, and so that it was not a unanimous FPRAC recommendation, nevertheless it was discussed at FPRAC, and most people on both the Labor and

Management side thought it was a good idea.

CHAIRMAN FRIEDMAN: I'm happy to lend my personal support to the proposition that there would be value-added to labor involvement at a stage earlier than presentation of a final report.

MS. SIMON: That would be a very good idea, I think.

CHAIRMAN FRIEDMAN: I guess the Management folks would have to speak for themselves how they would like to characterize their feelings about this issue.

MR. ALLEN: I think the Management position is being somewhat mischaracterized.

At the last meeting, I did make a suggestion that since FPRAC has an ongoing working group that OPM staff would make sure that the working group members were aware at key moments throughout the review process about what OPM staff were doing, what we were finding, and that we would be receptive to receiving input from any of the committee members, Labor or Management, about the direction overall that we were headed with the review.

I think it's really not necessary for FPRAC to go

back to the Director and ask him to sort out the difficulty that we're having that simply revolves around the level of participation in the OPM staff review and FPRAC's involvement in it.

MS. SIMON: Well, I think we're at a very, very awkward little spot here, because obviously the Director of OPM gave an assignment to his own staff, and his own staff is now reluctant to go back to their boss and say, "You made a mistake in the way you described your assignment to me, to us, and this is how it should work." That's entirely understandable that the OPM staff would not want to question their boss' assignment.

So that said, the way Mark just described his preference for Labor involvement is not at all acceptable to us, and it's not what we had in mind. And so I guess we do need some kind of a letter to the Director that can certainly, you know, include the vehement opposition to the kind of participation by Labor that we would like to have, and the Director will just have to make a decision because FPRAC didn't have consensus.

CHAIRMAN FRIEDMAN: Okay. I guess my own

observation on this is I don't read the Director's memo as precluding Labor participation. It just is silent on that point. It doesn't --

MS. SIMON: Sure.

CHAIRMAN FRIEDMAN: It didn't direct OPM staff to affirmatively seek it out.

MS. SIMON: True.

CHAIRMAN FRIEDMAN: It didn't say don't do it either. My read of it is it was silent on that.

But I think just to sum up is that if the Labor folks want, they are free to communicate to the Director about this, and I guess that's where we'll leave it.

Anything else?

MS. SIMON: So we won't have any kind of formal communication to the Director signed by you that described the --

CHAIRMAN FRIEDMAN: I'm happy to lend my personal support to the proposition that Labor participation would add value to this undertaking. I mean, I don't know what more to say. I'm happy to --

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: I mean, I don't know what --

MS. SIMON: Okay.

MR. ALLEN: We're all in agreement that Labor participation would be valuable in this process. It's just that the degree of participation that's being expressed here is not really in accordance with what the Director's stated intent is, that his staff, OPM staff, would work with the Department of Defense to develop a technical analysis of how an FPRAC recommendation might be implemented at some point in the future.

MS. SIMON: Well, Mark, we don't have to go 'round and 'round and 'round in this, but we know there's lots of ways to cost this proposal, and we also know that everybody -- there are ways to cost it in order to kill it, and there are ways to cost it that are not designed to kill it. And that's what we want to ensure, that a fair assessment of all the technical issues and the cost of implementation will be presented.

You know, it's highly political. I think that there is no doubt in anybody's mind in this entire room how strongly you feel about this proposal, and so we want to

make sure that we are involved in every aspect of this study, so that it doesn't present the worst-case scenario exclusively.

I'm just being completely honest. That is our concern, and that's why we want to be involved at every stage. That's it.

CHAIRMAN FRIEDMAN: I suppose one way to handle this -- let me run this by the committee -- were the Labor folks to state what it is they would like in this regard, in regard to Labor participation in this report, the Management folks to state the nature, well, along the lines of what you were suggesting, Mark, of using the work group or whatever else, the degree and kind of Labor participation that the Management folks are comfortable with, and we can transmit both with some kind of covering memo from me and leave it at that. Does that seem like a way to handle it?

MS. SIMON: Yeah, that's okay.

CHAIRMAN FRIEDMAN: Okay.

MR. ALLEN: Again, I don't really think it's necessary for the Director to receive a communication from FPRAC about business that should be handled within the

committee.

CHAIRMAN FRIEDMAN: Although we don't have consensus on how to handle it, so I'm not sure how to proceed. You're welcome -- if you have a thought on that, I'd be happy to hear it.

MR. SHULMAN: Well, it appears to me that at this point, FPRAC has already done its part. We had, as we had advocated prior to voting on the proposal, the same study that the committee should have done it prior to voting without entering a vote, without a thorough analysis where everyone participated and come to a conclusion as to what the effect of the proposal would have overall.

We didn't do that. We chose not to do that. We decided not to do that. FPRAC moved forward. We voted, and it was submitted to OPM.

And now to want to go back and do that? The Director has now determined he wants some data, let OPM do the data. And frankly, I don't understand "fair." Data is data, and whatever the data outcome is, is what it is, and who is going to determine what's fair?

And if we're going to mired in that quagmire, it

seems to me the committee will never -- if we can't agree now on the way forward, it seems to me very difficult to determine what's fair during the analysis. It will never get to the Director, then, if the committee tries to impose itself in what we should have done initially, to have given the Director a solid proposal with the data supporting whatever the proposal -- if the proposal still would have been to proceed forward with it, to have provided the data then that it supported the proposal. But the proposal went forward with no data, with no analysis.

MR. PHELPS: Well, are you saying that OPM and DoD should have come up with all of this analysis prior to the vote --

MR. SHULMAN: I said --

MR. PHELPS: -- without Labor participation?

MR. SHULMAN: No. I'm saying the committee should have done that.

MR. PHELPS: Well, then that's basically what we're asking now. If we didn't do it then, but it needs to be done now, then let the committee do it rather than one side of the committee.

MR. SHULMAN: But my point is we bled it out, out of the committee sense. Now it's at OPM.

MR. PHELPS: Well, it seems to me by the letter that the Director sent back that it's back at the committee level.

MR. ALLEN: Mr. Chairman, the Management members would like to caucus.

CHAIRMAN FRIEDMAN: Sure. I think we have the small Pendleton Room.

[Management caucus held off the record.]

MS. BROWN: The recorder is on.

CHAIRMAN FRIEDMAN: Thank you, Vanessa.

Okay. We're back in session. Well, is there anything you want to report on your caucus, or how do you want to proceed, everybody?

MR. ALLEN: Yes. We don't like coming to an impasse on this, this issue. We don't think it's really necessary to come to an impasse.

What we would like to offer as an alternative to the ideas that have been expressed so far is to establish a separate working group that's discrete for this review, have

an OPM person chair the working group -- not me, not the FPRAC Chairman, because the working group will be reporting back to the FPRAC Chairman -- have all the Labor members involved, all the Management members involved in the working group, and the purpose would be to start out with the San Francisco locality pay area and see how the FPRAC recommendation might be implemented for that part of the country.

The only reason I mention the San Francisco locality area is that that's the one that OPM staff have already started to work on, and we have not quite reached a point where we could share information with the members of what would be the working group, but I think that's a much better alternative than what I was thinking originally, which was, say, have the members of FPRAC look at a table of contents, for example, when a table of contents might be ready, and then to look at data piecemeal.

I think it's a better idea to look at one locality pay area first, and then if the members of the working group have suggestions for things they would like to have added or looked at a different way, then we can take that template

and apply it to all the other parts of the country we'd be looking at, but all along the way, we'd keep the Labor and Management members aware of what we were looking at, and everybody would be as fully involved as possible.

CHAIRMAN FRIEDMAN: Any questions or comments or reactions?

MS. SIMON: Yeah. I very much would want us to start with either the Joint Base in New Jersey or Monroe County, Pennsylvania, rather than San Francisco.

I think that just, you know, Mark's suggestion of a place to start and a place to create the template is just the kind of thing that we'd like to be involved in from the get-go.

I'm not really sure I understand how -- you know, what you're saying, to be honest, but if what you're saying is that you've changed your mind and now you are fine with union involvement at every stage of the study -- is that what you're saying?

MR. ALLEN: In one respect, yeah. We need your involvement early on.

MS. SIMON: Okay. Well --

MR. ALLEN: It won't be at the very start because in order to get started to kick off things, we need to have data put together --

MS. SIMON: I think that --

MR. ALLEN: -- so everybody can look at it.

MS. SIMON: Yeah, okay. Well, I'm delighted that you have changed your mind. That's great.

But at the very start would be selecting the location that you start to focus on, and I think that as a group, we have Senator Casey and that New Jersey congressional delegation who have written to us and expressed their very, very strong interest in getting going on this, that we start there because they've asked for information, and that's where -- that's where some of the most pressing issues continue to broil.

MR. ALLEN: I think what we would have to do is look at the entire New York locality area and what would be impacted there that would capture both Fort Dix-McGuire Air Force Base --

MS. SIMON: Exactly. Right.

MR. ALLEN: -- and the Army depot.

MS. SIMON: Right, right.

MR. ALLEN: Okay.

MS. SIMON: And so I'd start there.

MR. SHULMAN: The reason San Francisco was suggested, as Mark said, is because there's already work that has begun on collecting information. Also, there's less that's really going to be involved in that particular study. It makes it easier to get people --

MS. SIMON: I guess it's Tracy. Tracy Army Depot would be the one. I realize that, but since every place is ultimately going to be studied, you know, we could put that to the side for a minute and get to New York which is where the action is.

That's where -- I mean, you know, we -- as I've tried to convey to this group, a day doesn't go by that, you know, I don't hear from congressional offices and/or Members who want attention to this matter, and so that's where -- that's where this -- those are the people who asked for, you know, our attention to be paid to this issue, and I think that, you know, they want information. And so I think we should start with them.

CHAIRMAN FRIEDMAN: I have to say just from my perspective, this interchange is a very good illustration of the value-added that Labor participation brings to this process. So, for example, the choice of where you start the study is something that is an important question in and of itself.

I'm wondering, is it necessary -- I hate to belabor this. I would like us to move on fairly soon if we can, but is it necessary to have something in writing, so it's clear how we're proceeding?

MS. SIMON: I think that would be a good idea.

CHAIRMAN FRIEDMAN: Do you want to take a crack at that, and then we can make sure everybody is on the same page and we understand exactly what the process is going forward?

MR. ALLEN: Sure. It would be something pretty simple.

CHAIRMAN FRIEDMAN: That's fine. Simple is good.

And then unless there's some further discussion right now, we could wait for that, get closure on it, and then proceed? Is that okay?

MR. ALLEN: Yeah.

MS. SIMON: Yes. Sounds good.

CHAIRMAN FRIEDMAN: All right. Very good. Well, thank you. I think that's progress.

That brings up old business. Some of these matters, we have elected to refer to our work group. I believe maybe even all of them, but if there's any discussion of any of these now -- Lee County. Anything on Lee County?

[No audible response.]

CHAIRMAN FRIEDMAN: Why don't we try to touch on it in the work group at least, because we do have to at some point get closure on it.

The special pay practice for USACE lock and dam, Army Corps of Engineers lock and dam?

MS. SIMON: Can I ask a question?

CHAIRMAN FRIEDMAN: Sure.

MS. SIMON: Could you just refresh my memory about where we are on that?

CHAIRMAN FRIEDMAN: Management has prepared a report with a recommendation to keep the pay practice

unchanged, and that's a fairly lengthy and complicated analysis. And we do need to take a look at it.

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: At some point, we ought to actually make a decision about when we're going to take a look at it.

MR. ALLEN: We were awaiting any feedback from the committee members if they reached out to any of the union locals or if Army has any further opinion about the issue since it's all Army Corps of Engineers' employees, to see what their feelings are, if it's something that we've been missing over the years about how they actually work.

MS. SIMON: Well, I've had a flurry of telephone calls on this. I mean, I think we've been through these issues where people might have officially different duty stations, but they are moving around in the course of performing their jobs, in and out of different wage areas, and they really aren't -- they describe themselves as being an integrated work unit in spite of where they might have their duty station on the river.

I know, literally, nothing about this subject, but

they -- they don't think it's practical to be paid differently, depending on what spot on the river they start their day.

CHAIRMAN FRIEDMAN: Why don't we maybe devote a little time in the work group to figuring out how we tackle this one, too? I'm going to move on now unless there's interest in continuing discussion.

MR. ALLEN: We can talk about it later.

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: Okay. The South Bend-Mishawaka MSA, I guess that was something else we were going to defer or take up in the work group, unless there's some interest in discussing it right now.

MS. SIMON: And what's that? Could we refresh on that one, too?

CHAIRMAN FRIEDMAN: That was, I guess it was, a split MSA, Indiana, Michigan. It's an issue of moving one county.

MS. SIMON: Which direction it goes?

CHAIRMAN FRIEDMAN: Yeah.

MR. ALLEN: In that MSA, there were some employees

that would have been negatively impacted, so we wanted to defer to the working group to determine whether MSAs are still a relevant criterion for the committee to consider throughout the country.

CHAIRMAN FRIEDMAN: So that brings up new business, and we have five items, so let's see how far we can get.

First one, 564-MGT-1, definition of Killeen-Temple-Fort Hood, Texas, MSA. Mark, would you like to summarize that one?

MR. ALLEN: Yes. It's 564-MGT-1, the redefinition of Killeen-Temple-Fort Hood, Texas, metropolitan statistical area. Fort Hood is the host activity for the Waco wage area, and the metropolitan area is split. What we are recommending is that we redefine, I think it's, Lampasas County --

MS. SIMON: Yep.

MR. ALLEN: -- to the --

MS. SIMON: I've been there.

MR. ALLEN: -- Waco area of application.

MS. SIMON: And there's nobody in Lampasas.

MR. ALLEN: Nobody in that county. There are 0 FWS employees in Lampasas County.

Fort Hood has more than 800 employees, and is the heart of the survey area. Attachment 2 is the regulatory criteria analysis. Basically, what this boils down to is that we looked at the central part of the MSA, and we measured distance. We measured distance from the core county (Bell County), from the largest FWS employer in that county, which is Fort Hood, to the host installation in the Waco survey area, which is also Fort Hood, so you really can't get any closer to the heart of the survey area than measuring from the host installation to the host installation. The distance is 0 miles.

All the other criteria are not really all that significant in the determination. There's a map at Attachment 1. The Killeen-Temple-Fort Hood MSA is the one in green, and we're recommending that the county be joined up as an area of application county to the Waco wage area. It should be pretty cut and dry.

CHAIRMAN FRIEDMAN: Are there any questions or discussion?

[No audible response.]

CHAIRMAN FRIEDMAN: Is there a consensus to adopt this?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. So 564-MGT-1 has been adopted.

Which brings up 564-MGT-2, definition of College Station-Bryan, Texas, MSA.

MR. ALLEN: This one is actually very similar, also dealing with the Waco wage area. What we are recommending is that Burleson County be redefined from the Austin wage area to the Waco wage area.

Distance and similarities in overall population, private sector employment, and kind and sizes of private industrial establishments favors moving it to the Waco wage area as an area of application.

If you look at the map on Attachment 1, Burleson County is in the southwestern corner of the College Station-Bryan MSA, and we're just recommending that it be moved up into the Waco area of application.

MS. SIMON: And you're recommending this for what

reason?

MR. ALLEN: So that we're no longer splitting the metropolitan statistical area.

MS. SIMON: Splitting an MSA.

MR. ALLEN: As has happened pretty frequently in other parts of the country, as rural counties have been added to metropolitan areas based on commuting, that's impacted the definitions of Federal Wage System wage areas. You have to define every county to a wage area. In a lot of these cases, there are no Federal Wage System employees, so it makes it a little easier to deal with.

CHAIRMAN FRIEDMAN: Is this change in MSA based on the 2010 Census, or is this left over from the 2000 Census?

MR. ALLEN: This would be left over from the 2000 Census, but OMB has had a practice of making changes to MSAs for several years. They haven't done any in the last couple years that I remember, but I think this one probably happened relatively early on based on population or -- well, I don't think commuting would have changed. Population may have changed. There's a threshold for the minimum population in a county for it to be considered metropolitan.

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

MS. SIMON: Yeah. Well, I have a problem with this one, I guess. You know, distance doesn't favor either Waco or Austin. Commuting patterns doesn't favor either Waco or Austin.

MR. ALLEN: Distance to the city favors Waco, and similarities in a rural population, in private sector employment, and kinds and sizes of private industrial establishments, criteria favor Waco.

MS. SIMON: Where is Waco?

MR. ALLEN: Where is Waco?

MS. SIMON: The county, the City of Waco.

MR. ALLEN: It's in between Austin and Dallas.

MS. SIMON: No. I'm saying which county is it in.

Is it in McLennan County?

CHAIRMAN FRIEDMAN: It looks like McLennan, isn't it?

MS. SIMON: It's in McLennan County?

MR. ALLEN: Yes. It's a little awkward in that it wraps around sort of the survey area for the Austin wage

area, but --

MS. SIMON: Yeah. I was going to say it looks to me, just looking at this map, that it would make more sense to bring Robertson and Brazos into Austin than to bring Burleson into Waco.

MR. ALLEN: We'd have to have a rationale for that. I'm not really seeing a rationale from the regulatory criteria analysis to move Robertson and Brazos into Austin. We see the --

MS. SIMON: Well, I mean, obviously, it would be the -- the rationale would be the unification of MSA and distance and commuting and, you know, the similarities and, you know, whatever, the whole list of criteria. I don't think that -- I don't see the argument for Waco.

MR. ALLEN: It's on page 1 of attachment 2.

MS. SIMON: No, I'm saying I -- okay. I don't understand the argument for Waco over Austin.

MR. ALLEN: It's --

MS. SIMON: I think all the same arguments that it's -- it's kind of a judgment call completely because the factors favor neither one nor the other, and --

MR. ALLEN: Are you looking at the same chart that I'm looking at?

MS. SIMON: And we're trying to unify the MSA. I'm looking at page 3. Summary of Regulatory Criteria Analysis?

MR. ALLEN: Yeah. Under Distance, it lists Waco as being the closest city.

MS. SIMON: Well, why does it say "Waco/neither"?

MR. ALLEN: "Neither" is for the host installation. We typically give both measures.

MS. SIMON: What's the difference?

MR. ALLEN: The host installation might --

MS. SIMON: No, no, no, no. Excuse me. How many miles is -- are the counties from Waco versus how many miles are the counties from Austin?

MR. ALLEN: It's in Attachment 2, first page. It says Waco is 86 miles away.

MS. SIMON: Okay. Wait a second.

MR. ALLEN: Austin is 103 miles.

MS. SIMON: Wait a second. Are you talking about

--

MR. ALLEN: Page 1.

MS. SIMON: Attachment. Austin, 103 miles versus is 102 miles.

MR. ALLEN: That's 103 miles versus 86 miles, and the distance between --

MS. SIMON: To the survey area.

MR. ALLEN: Between hosts is 102 miles, either to Fort Hood or Camp Mabry, Camp Mabry being host for the Austin survey area.

CHAIRMAN FRIEDMAN: Well, if there's not consensus, shall we defer this one, or do you want --

MR. ALLEN: The members need more time to look at it. This is not really an urgent issue, there are no FWS employees affected, and there's no survey time schedule that's pressing with this one.

MS. SIMON: Yeah. Why don't we defer this one.

CHAIRMAN FRIEDMAN: Okay. We can do that.

That brings up (c), abolishment of Montgomery County -- I'm sorry -- abolishment of Montgomery, Pennsylvania, nonappropriated fund Federal Wage System wage area, 564-MGT-3, and this is a fun one. Do you want to

summarize it for us, Mark?

MR. ALLEN: Okay. I have to make a little bit of a mental leap with this one because we're no longer dealing with appropriated fund wage areas. We're dealing with nonappropriated fund areas, which we handle differently.

From time to time because of things like Defense Base Closure and Realignment Commission recommendations, military installations close, and when they close, the nonappropriated fund activities that would have supported the troops on the bases are no longer necessary. So, they are shut down.

In the Montgomery, Pennsylvania, nonappropriated fund wage area, I believe that Willow Grove -- its official name is the Naval Air Station Joint Reserve Base Willow Grove -- has already closed. There is a local wage survey, however, that is still scheduled to be conducted out of that installation in August of this year, and that fact makes it fairly urgent for OPM to receive a recommendation from FPRAC on how to handle the abolishment of the Montgomery wage area and the allocation of the remaining counties to nearby nonappropriated fund wage areas.

This recommendation went through the DoD Wage Committee and there was concurrence from the Wage Committee earlier this year. The Management recommendation on this is that we redefine Montgomery and Philadelphia Counties, Pennsylvania, as areas of application to the Burlington, New Jersey, nonappropriated fund wage area; that we redefine Chester County, Pennsylvania, as an area of application to the Harford, Maryland, nonappropriated fund wage area; that we redefine Luzerne County, Pennsylvania, as an area of application to Morris, New Jersey, wage area; and because there are no longer employees in Bucks County, New Jersey, that it be removed --

MS. SIMON: That's Pennsylvania.

MR. ALLEN: -- from the wage area definition.

CHAIRMAN FRIEDMAN: Any questions or discussion?

MR. ALLEN: This is actually a fairly complex redefinition proposal, and it does impact employees, primarily at VA medical centers, at different locations around Philadelphia.

MS. SIMON: And it lowers their pay?

MR. ALLEN: In some cases, I believe it does. I

haven't looked closely at that. Ideally, we don't need to move on this one at the meeting today.

MS. SIMON: Well --

MR. ALLEN: But at the meeting coming up in July, I think we need to figure out what to do.

MS. SIMON: If we could have a few minutes, we could possibly do this.

CHAIRMAN FRIEDMAN: Do you want to caucus, or do you want to discuss it right in here?

MS. SIMON: I just want to read through this.

CHAIRMAN FRIEDMAN: A moment of silence.

[Laughter.]

MS. SIMON: So it's interesting, Joint Base McGuire has one wage area for nonappropriated fund.

MR. ALLEN: It's one of those wage areas that has expanded pretty dramatically for the nonappropriated fund system over the years, because that is the largest and active military base in that area now.

MS. SIMON: So Philadelphia gets abolished, too, though? Philadelphia gets redefined. What's --

MR. ALLEN: Philadelphia would be part of the

Burlington area of application.

MS. SIMON: And the rationale for doing this is that Philadelphia County doesn't have enough nonappropriated fund FWS employees to be its own nonappropriated fund wage area?

MR. ALLEN: It's actually Montgomery County, which is the current survey area. None of the other area of application counties in the current Montgomery NAF wage area have the capability of conducting a --

MS. SIMON: Okay. But you've got -- but I'm just saying you've got Philadelphia. Instead of -- you're making Philadelphia an area of application of another existing wage area rather than having it be a nonappropriated wage area itself.

MR. ALLEN: That's right.

MS. SIMON: And the reason you're doing that is because there's not enough jobs in Philadelphia?

MR. ALLEN: There are not enough nonappropriated fund employees remaining in those counties to do a wage survey.

MS. SIMON: So it's basically 14 workers in a VA

medical center who are going to -- whose positions will have their pay cut.

[Pause.]

MS. SIMON: I won't be able to vote on this today.

CHAIRMAN FRIEDMAN: Okay. I guess one way or another, we'll need to make a decision at the next meeting on it.

Which brings up the item (d) under New Business, abolishment of the Monmouth, New Jersey, nonappropriated fund wage area. Mark, do you want to summarize that one, please?

MR. ALLEN: This is another Management proposal dealing with a nonappropriated fund wage area impacted by base closure. In this case, it's the closure of Fort Monmouth. At this time, actually there are only 12 nonappropriated fund wage system employees, and they are located at the Naval Weapons Station Earle, and there are not enough employees remaining in the wage area to continue the wage area as a separate wage area.

What we are recommending is that Monmouth County be added to the Burlington, New Jersey, nonappropriated fund

wage area. Again, there are some employees who are affected by this proposal.

CHAIRMAN FRIEDMAN: Any questions or discussion?

MS. SUSZCZYK: Are they negatively impacted by the proposal, the employees?

MR. ALLEN: I have not taken a look at that, so --

[Pause.]

CHAIRMAN FRIEDMAN: Do folks need more time on this one?

MR. ALLEN: I believe we have a little more time to handle this one since the order date normally would be in January. Is that correct?

MR. BECHT: No. This one is an August survey now.

MR. ALLEN: It is in August?

[Pause.]

CHAIRMAN FRIEDMAN: So what's your decision on this one?

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: So there's consensus on this one?

MS. SIMON: Yes.

CHAIRMAN FRIEDMAN: Okay. So 564-MGT-4 has been adopted, and that brings up the last item of new business on the agenda, which is the letter from AFGE regarding a proposal to redefine Monroe County, Pennsylvania, from the Scranton-Wilkes-Barre wage area to the New York wage area.

Jackie, do you want to summarize this one for us?

MS. SIMON: Yeah. Well, I mean, I think it's pretty straightforward and simple. We recognize and don't dispute the fact that Monroe County is closer to Scranton than it is to New York City, but the commuting data overwhelmingly would suggest that Montgomery County -- or Monroe County -- excuse me -- is a part of the New York City labor market, as was recognized by the Federal Salary Council when Monroe County was made an area of application of the New York City GS locality.

And so even though our regulation lists distance as the primary criterion, we believe that because of the preponderance of the data on commuting and the importance of commuting to the definition of a labor market, that Monroe County should be made -- should be redefined as part of the New York City wage area.

CHAIRMAN FRIEDMAN: Any questions or discussion?

MR. ALLEN: What I would recommend that we do with this is defer any decision on the merits while we're working on this issue in the working group that we have proposed to be established.

MS. SIMON: I don't want it to be deferred. I would like to schedule a vote.

I mean, I understand that it should be subjected to the analysis according to the existing regulatory criteria that all other proposed changes, but I don't want to defer it to whenever it is that -- the study will be completed.

MR. ALLEN: We're not in a position to vote on this today.

MS. SIMON: That's fine.

CHAIRMAN FRIEDMAN: Okay. We will agree to disagree on this one and defer it for now.

That brings up the possibility of adjourning, unless there are other new business items. Anything else that needs to come before us this morning?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, the motion to adjourn would be --

MR. PHELPS: So moved.

CHAIRMAN FRIEDMAN: Second?

MR. ALLEN: Second.

CHAIRMAN FRIEDMAN: There's no objections?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing none, we are adjourned. Thank you, and we will convene in about -- well, I guess it will be a short one today, but we will convene in about 10 minutes in the small Pendleton Room for our work group.

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