

## FEDERAL PREVAILING RATE ADVISORY COMMITTEE

580th FPRAC

**SHELDON FRIEDMAN**, Chairperson, Presiding

Thursday, November 15, 2012

ROOM 5526

Office of Personnel Management  
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:

Mark Allen, OPM

Steven Rumble, DoD

Darlene Freeman, Department of Air Force

Labor Members:

Bill Fenaughty, MTD

Charles Bernhardt, AFGE

Sarah Suszczyk, NAGE

Steve Landis, ACT

**Staff Specialists and Visitors:**Jerry Mikowicz, Designated Federal Official, OPM Madeline  
Gonzalez, OPM

Mike Eicher, OPM

Terri Avondet, OPM

Brittney Manchester, OPM

Jim Brady, DoD

Karl Fendt, DoD

Becky Chaves, DoD

Melissa Arroyo, Department of Navy

**Recording Secretaries:** Mike Eicher and Terri Avondet

[Transcript prepared from digital audio produced by FPRAC.]

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

CHAIRMAN FRIEDMAN: Good morning, everyone. Welcome to this 580th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee.

As usual, why don't we go around and introduce ourselves. We'll start with you today, Bill.

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

Mr. BERNHARDT: Charlie Bernhardt, American Federation of Government Employees.

MS. SUSZCZYK: Sarah Suszczyk, National Association of Government Employees.

MR. LANDIS: Steven Landis, Association of Civilian Technicians.

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

MR. RUMBLE: Steve Rumble, Department of Defense.

MR. ALLEN: Mark Allen with OPM.

CHAIRMAN FRIEDMAN: And let's go around the outside of the room as well, please.

MS. ARROYO: Melissa Arroyo, Department of Navy.

MR. BRADY: Jim Brady, Department of Defense.

MR. FENDT: Karl Fendt, DoD.

MS. CHAVES: Becky Chaves, DoD.

MR. MIKOWICZ: Jerry Mikowicz, OPM, Designated Federal Officer for this meeting.

MR. EICHER: Mike Eicher, OPM.

MS. GONZALEZ: Madeline Gonzalez, OPM.

MS. MANCHESTER: Brittney Manchester, OPM.

MS. AVONDET: Terri Avondet, OPM.

CHAIRMAN FRIEDMAN: Thank you.

Unfortunately, we won't have a quorum on the Management side today, so we can discuss things and take straw polls, I guess, but we can't actually act on things that require votes at this point.

The only announcement I have is the letter that Representative Runyan of New Jersey sent to President Obama regarding the pay disparity situation at the Joint Base McGuire-Dix-Lakehurst in New Jersey. You have that letter in your packets.

Any other announcements people have, or questions about that one?

MR. LANDIS: I'd just like to say that we appreciate, you know, being that's my home area, Congressman Runyan, all the work he's done to support the members there at the Joint Base

McGuire-Dix-Lakehurst.

CHAIRMAN FRIEDMAN: Okay, thank you, Steve.

MR. FENAUGHTY: I kind of have a question, Sheldon.

CHAIRMAN FRIEDMAN: Certainly.

MR. FENAUGHTY: So where are we at with this thing?

It seems like it's been going on forever.

CHAIRMAN FRIEDMAN: Jerry, is there any update you would care to provide the Committee?

MR. MIKOWICZ: I'm really sorry to say that it's the same message I've been repeating, the regulatory package is with the Director's office for a decision. Occasionally I receive and answer questions on it, but I don't see an answer or direction about the next step, so it is still with the Director's office.

MR. FENAUGHTY: So kind of in limbo would be the answer, I guess, right?

MR. ALLEN: I'd say it's still pending a decision.

MR. MIKOWICZ: Yeah. It's a live package in a tracking system, and we review our trackings weekly, monthly, and that's where it is - in the Director's office pending a decision.

CHAIRMAN FRIEDMAN: Anything else on that or anything else before we move on?

[No audible response.]

CHAIRMAN FRIEDMAN: Next step is the review of the transcript of our last meeting. Are there any changes or edits that people want to suggest beyond those we've already heard about?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing none, I assume we adopt the transcript. Hearing no objection, the transcript is adopted.

Old Business. Most of these items we have under review in our working group. Item (j) is actually something we'll be discussing today.

Unless there's something that people want to discuss in here right now on items (a) through (h) under Old Business, I suggest we just defer that to our next working group meeting, which will be in December.

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. Then that brings up New Business, and the first item is the Alternate Analysis of the Portland, Maine, FWS wage area, 580-MGT-1, which you have in your packets, and this was prepared pursuant to a request from folks on the Labor side for an alternative analysis of what

should be done with the Portland, Maine, wage area.

Mark, would you like to summarize this additional piece for people?

MR. ALLEN: Sure.

Yes, as the Chairman has mentioned, the Management side presented a review of the Augusta and Portland, Maine, wage areas, 578-MGT-1, in which we proposed abolishing the Portland wage area and moving it in its entirety to the Augusta wage area.

The Management members conducted this analysis based on the idea that the Portsmouth wage area was being abolished and combined with Boston under the pending FPRAC recommendation that was initially made back in October 2010.

After introducing this proposal at FPRAC, the Labor members requested that we do an additional analysis packet to analyze what would happen if the Portsmouth wage area was a continuing wage area. We took a look at the regulatory criteria in 580-MGT-1, and it led to a different conclusion.

Based on the regulatory criteria analysis --listed at the bottom of the first page -- we would recommend under this analysis that the Portland wage area be split into two parts, counties in the southern part, which are part of the Portland-



South Portland-Biddeford, ME, MSA, would go to the Portsmouth, New Hampshire, wage area and the counties that are in the northern part of Portland would go to the Augusta, Maine, wage area.

The primary determining factor for this conclusion would be distance as well as the fact that we currently have an MSA that is split between the Portsmouth, New Hampshire, wage area and the Portland, Maine, wage area. We solve that problem if we adopt the analysis that we've done in 580-MGT-1.

CHAIRMAN FRIEDMAN: Any questions or discussion?

[No audible response.]

CHAIRMAN FRIEDMAN: Since we can't actually make a decision today, we could just defer this to the next meeting. Is that what people want to do?

MR. ALLEN: I think our main interest at this meeting is just getting the alternative analysis out on the table, so everybody can take a look at it and become comfortable with the ideas that are in it, because they are different from what was initially proposed in 578-MGT-1.

One thing I neglected to mention under this alternative analysis is that if we move Cumberland and Sagadahoc Counties to the Portsmouth wage area, they would become part of

the survey area. Androscoggin County would become part of the survey area for the Augusta wage area.

MR. BERNHARDT: So that would expand the survey area?

MR. ALLEN: Yes.

CHAIRMAN FRIEDMAN: All right. Last chance on this one.

[No audible response.]

CHAIRMAN FRIEDMAN: All right. That brings up 580-MGT-2, definition of Vanderburgh County, Indiana, to a Nonappropriated Fund Wage Area.

Mark, would you please summarize that one for us?

MR. ALLEN: Okay. This is a fairly simple addition of a county to an existing nonappropriated fund wage area. It might seem a little strange, but we are talking about defining a county in Indiana to a Kentucky/Tennessee wage area. That's the way the NAF areas work sometimes. You have to skip across many counties to appropriately define a county based on distance to the nearest survey area, and that's what we do in this case.

We received a request from DoD to define Vanderburgh County, Indiana. There are currently two employees at the VA Evansville Outpatient Clinic in Vanderburgh County. They're not currently defined to a wage area. We took a look at the

regulatory criteria through our standard analysis, and the only factor that points to defining the county to a wage area is distance. The county is closest to the Christian/Montgomery nonappropriated fund wage area.

We included an in-depth analysis at Attachment 1 that the Department of Defense sent over to us with a couple of maps. On the second map, titled Proposed Regulations, you see Vanderburgh County came up in kind of a light shade of pink on the map. It's a little hard to see, but it's one of the southernmost counties in Indiana, and it's being joined with the Christian, KY/Montgomery, TN, wage area.

Looking further into the DOD analysis package, there are two employees at the VA outpatient clinic, both at grade NA-2, and it's around 104 miles from Evansville, IN, to Fort Campbell, which is the host activity for the Christian/Montgomery wage area, and 123 miles to get to the next nearest wage area which is Hardin/Jefferson, Kentucky.

CHAIRMAN FRIEDMAN: Any questions or discussion?

[No audible response.]

CHAIRMAN FRIEDMAN: If the Labor folks need a caucus, we can't actually render a final verdict on this today, but we could move the ball down the road by getting started on it.

MR. BERNHARDT: We could take a brief caucus, Mr. Chairman.

CHAIRMAN FRIEDMAN: Okay.

[Labor Members went into caucus off the record.]

CHAIRMAN FRIEDMAN: We're back in session.

The Labor folks have returned from their caucus, and the floor is yours.

MR. BERNHARDT: All right. Mr. Chairman, we've got a lot to consider here in this package. We're really concerned about this one, because we've got a mix or split in the factors as to which wage area is favored for putting Vanderburgh County into. The distance factor favors the Christian/Montgomery wage area by just under 20 miles from the Hardin/Jefferson wage area, but the Hardin/Jefferson wage area is over a dollar an hour more than the Christian/Montgomery wage area. And that's too significant to not set off all kinds of alarms.

We're going to have to consider this for a little bit more time--

CHAIRMAN FRIEDMAN: Sure.

MR. BERNHARDT: -- and we want to tie this over to a future meeting.

CHAIRMAN FRIEDMAN: Sure. The wages were quite

appalling, I have to say for the record, at this location. Nothing wrong with the survey, I'm sure. Just reflecting the appalling wages that exist in that sector of the economy.

So we'll table that till our next meeting. Is there any other new business not already on our agenda?

[No audible response.]

CHAIRMAN FRIEDMAN: And if not, don't forget our not-to-be-missed holiday party next month right after our meeting. Maybe that will draw better attendance on the Management side.

MR. FENAUGHTY: Well, especially after last year's blow-out.

[Laughter.]

CHAIRMAN FRIEDMAN: Yeah. We've been hearing compliments all year on that.

Well, if there's no objection, we can adjourn.

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing no objection, we are adjourned. Thank you very much. See you next month.