

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



**Federal Prevailing Rate
Advisory Committee**

Sheldon Friedman, Chairman

**Annual Summary
of Recommendations
and Discussions**

Calendar Year 2011

April 2012

a New Day for Federal Service

TABLE OF CONTENTS

2011 REPORT

Part I	Introduction.....	1
	Federal Prevailing Rate Advisory Committee Member Roster, 2011	2
Part II	Summary of 2011 Recommendations	
	1. Issues Resolved by Consensus.....	4
	2. Additional Matters Discussed.....	7
Part III	Summary of Discussions of 2011 Meetings	8
Part IV	Compliance with Statutory Provisions	
	1. Advisory Committee Charter	12
	2. Annual Report to the General Services Administration	14

ANNUAL REPORT

2011

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

Part I

INTRODUCTION

The Federal Prevailing Rate Advisory Committee (FPRAC), the national labor-management committee responsible for advising the U.S. Office of Personnel Management (OPM) on matters concerning the pay of Federal Wage System (FWS) employees, completed 39 years of operation in 2011. FPRAC is established under section 5347 of title 5, United States Code, and is composed of five representatives from agency management, five representatives from Federal employee labor organizations, and a chair appointed by the Director of OPM.

The Committee membership was changed in 2011 to conform to the practice of rotating the military department representation on the Committee among Army, Navy, and Air Force. The Department of the Air Force representative was replaced by the representative from the Department of the Navy.

All Committee meetings held in calendar year 2011 were open to the public. The meetings were held in the Director's Executive Conference Room, U.S. Office of Personnel Management, 1900 E Street NW., Washington, DC 20415.

FPRAC meets on a monthly basis. Advance notice of the Committee meeting schedule is published in the *Federal Register*. In addition, future Committee meeting dates are posted on OPM's Web site at <http://www.opm.gov/oca/Wage/FPRAC/index.asp>.

All Committee meetings are recorded. FPRAC meeting transcripts are available at the above Web site. Archived transcripts can be obtained upon written request to pay-leave-policy@opm.gov.

Annually, the Office of the Chair compiles a report of pay issues discussed and recommendations made to OPM. Beginning with the 2008-2009 summary, FPRAC's annual summaries are also available at the above Web site. Archived annual summaries can be obtained upon written request to pay-leave-policy@opm.gov.

FEDERAL PREVAILING RATE ADVISORY COMMITTEE MEMBER ROSTER, 2011

Chairman

Mr. Sheldon Friedman

Metal Trades Department, AFL-CIO

Primary Member	Mr. Ronald E. Ault
Primary Alternate Member	Mr. William (Bill) Fenaughty
Alternate Members	Mr. Dennis P. Phelps Mr. Stephen Beal Mr. William Dougan

American Federation of Government Employees, AFL-CIO

Primary Members	Mr. J. David Cox Ms. Jacqueline Simon
Primary Alternate Member	Mr. Charles Bernhardt
Alternate Member	Mr. Keith Hill

National Association of Government Employees/SEIU

Primary Member	Mr. David Holway
Primary Alternate Member	Ms. Gina Lightfoot-Walker
Alternate Members	Ms. Sarah Suszczyk Mr. Edward Elder

Association of Civilian Technicians

Primary Member	Mr. Terry Garnett
Primary Alternate Member	Mr. Steven Fisher

Office of Personnel Management

Primary Member	Mr. Jerome D. Mikowicz
Primary Alternate Member	Mr. Mark A. Allen

Department of Defense

Primary Member	Mr. Pasquale M. Tamburrino, Jr.
Primary Alternate Member	Mr. Seth Shulman
Alternate Member	Mr. Steven E. Rumble

Department of the Air Force

Primary Member	Ms. Dana M. Crowe
Primary Alternate Member	Ms. Darlene Y. Freeman
Alternate Member	Ms. Tammy L. Vankeuren

Department of the Army

Primary Member

Primary Alternate Member

Alternate Member

Ms. Sheila R. Dent

Ms. Barbara Walker

Ms. Pamela A. Sokol

Department of the Navy

Primary Member

Primary Alternate Member

Alternate Member

Ms. Shirley B. Scott

Mr. Carlos Saavedra

Mr. R. Lamar Williams

Department of Veterans Affairs

Primary Member

Primary Alternate Member

Alternate Member

Ms. Tonya M. Deanes

Ms. Ann Marie Hannon

Mr. Thurstan L. Hunter

PART II

FEDERAL PREVAILING RATE ADVISORY COMMITTEE SUMMARY OF 2011 RECOMMENDATIONS

Issues resolved by consensus

(1) 561-MGT-1.¹ Abolishment of Cumberland, Maine, as a Nonappropriated Fund Federal Wage System Wage Area

The Department of Defense (DOD) submitted a recommendation to OPM to abolish the Cumberland, Maine, nonappropriated fund (NAF) Federal Wage System (FWS) wage area and redefine Cumberland, Kennebec, and Penobscot Counties, ME, as areas of application to the York, ME, NAF FWS wage area. Aroostook, Hancock, Knox, Sagadahoc, and Washington Counties, ME, would no longer be defined. These changes were proposed because the host installation was scheduled for closure leaving the wage area without an activity having the capability to conduct a local wage survey. Cumberland County no longer met the regulatory criteria under 5 CFR 532.219 to be a separate NAF wage area. Kennebec and Penobscot Counties did not meet the regulatory criteria under 5 CFR 532.219 to be separate survey areas. The management members of FPRAC concurred with DOD's recommendation and introduced the issue at the 561st FPRAC meeting.

The Committee recommended by consensus to abolish the Cumberland NAF wage area and redefine Cumberland, Kennebec, and Penobscot Counties as areas of application to the York NAF wage area. The Committee also recommended that Aroostook, Hancock, Knox, Sagadahoc, and Washington Counties no longer be defined.

(2) 561-MGT-2. Alaska Set-Aside Area Differential Schedules

The International Boundary Commission (IBC) requested approval to pay its seasonal (temporary) employees from the Alaska remote area differential set-aside schedules when the employees are working in certain remote parts of Alaska. IBC is an organization mandated by treaty to maintain an effective boundary between the United States and Canada. Each summer, IBC hires temporary laborers to perform necessary maintenance along the 5,525 miles of the United States-Canada border. The Committee management members agreed that IBC should be

¹ Document numbers listed in this report refer to official documents of FPRAC. The first 3-digit number is the meeting number where document was first introduced. The alpha characters indicate which committee member(s) submitted the documents. "OPM" indicates a document submitted by the Office of Personnel Management. "MGT" indicates that the document was submitted jointly by all the management members. "DOD" indicates a document submitted by the Department of Defense. "LBR" indicates a joint labor document. The number following the alpha characters indicates the chronological order of the document(s) submitted by the organization for that meeting.

granted authority to pay its employees from the Alaska remote area differential set-aside schedules to avoid recruitment and retention problems and introduced the issue at the 561st FPRAC meeting.

The Committee recommended by consensus to grant IBC the authority to pay its seasonal (temporary) employees from the Alaska remote area differential set-aside schedules.

(3) 564-MGT-1. Definition of Killeen-Temple-Fort Hood, TX Metropolitan Statistical Area

The Committee recommended by consensus to redefine Lampasas County, Texas, from the Austin, TX, area of application to the Waco, TX, area of application. OPM regulations provide it is permissible for MSAs to be split between FWS wage areas only in very unusual circumstances. Redefining Lampasas County to the Waco area of application placed the entire Killeen-Temple-Fort Hood MSA in the Waco wage area.

(4) 564-MGT-2. Definition of College Station-Bryan, TX Metropolitan Statistical Area

The Committee recommended by consensus to redefine Burleson County, TX, from the Austin, TX, area of application to the Waco, TX, area of application. OPM regulations provide it is permissible for MSAs to be split between FWS wage areas only in very unusual circumstances. Redefining Burleson County to the Waco area of application placed the entire College Station-Bryan, MSA in the Waco wage area.

(5) 564-MGT-3. Abolishment of the Montgomery, Pennsylvania, Nonappropriated Fund Federal Wage System Wage Area

DOD submitted a recommendation to OPM to abolish the Montgomery, Pennsylvania, NAF FWS wage area and redefine Montgomery and Philadelphia Counties, PA, as areas of application to the Burlington, New Jersey, NAF FWS wage area; Chester County, PA, as an area of application to the Harford, Maryland, NAF FWS wage area; Luzerne County, PA, as an area of application to the Morris, NJ, NAF FWS wage area; and to remove Bucks County, NJ, from the wage area definition entirely. These changes were proposed because the host installation was scheduled for closure leaving the wage area without an activity having the capability to conduct a local wage survey. Montgomery County no longer met the regulatory criteria under 5 CFR 532.219 to be a separate NAF wage area. The management members of FPRAC concurred with DOD's recommendation and introduced the issue at the 564th FPRAC meeting.

At FPRAC's 565th meeting, the labor members proposed an alternative to management's proposal. The amendment would define Chester County, PA, as an area of application to the Burlington, NJ, NAF FWS wage area. The labor members argued that Chester County would be more appropriately defined to the Burlington wage area because it was a suburban county of the city of Philadelphia. The management members agreed to reexamine its analysis of Chester County.

At FPRAC's 566th meeting, the management members stated that they stood by their original proposal. The management members believed that the regulatory criteria analysis indicated that Chester County was most appropriately redefined to the Harford wage area based on the primary regulatory criterion, distance. The labor members countered that historically, when a NAF wage area was abolished, there was precedent for retaining the cluster of counties and redefining them together to a wage area. The labor members requested that OPM staff conduct background research on how counties of other abolished NAF wage areas had been redefined in the past. The management members agreed to wait for the results of OPM's research.

At FPRAC's 569th meeting, the management members agreed to adopt labor's alternative to the management proposal and recommended redefinition of Chester County to the Burlington NAF wage area. Management's rationale was based on the fact that Chester County is geographically linked to Bucks, Delaware, Montgomery, and Philadelphia Counties, with all five counties encompassing the greater Philadelphia area, and that this distance-related factor supported keeping these counties together. OPM's background research examining how counties of other abolished NAF wage areas had been redefined in the past showed mixed results for retaining and redefining counties as clusters.

The Committee recommended by consensus to adopt the proposal and abolish the Montgomery NAF wage area and redefine Chester, Montgomery and Philadelphia Counties as areas of application to the Burlington NAF wage area; Luzerne County as an area of application to the Morris NAF wage area; and to remove Bucks County from the wage area definition.

(6) 564-MGT-4. Abolishment of the Monmouth, New Jersey, Nonappropriated Fund Federal Wage System Wage Area

DOD submitted a recommendation to OPM to abolish the Monmouth, New Jersey, NAF FWS wage area and redefine Monmouth County, NJ, as an area of application to the Burlington, NJ, NAF FWS wage area. The Monmouth wage area was composed of Monmouth County only. These changes were proposed because the host installation was scheduled for closure leaving the wage area without an activity having the capability to conduct a local wage survey. Monmouth County no longer met the regulatory criteria under 5 CFR 532.219 to be a separate NAF wage area. The management members of FPRAC concurred with DOD's recommendation and introduced the issue at the 564th FPRAC meeting.

The Committee recommended by consensus to abolish the Monmouth NAF wage area and redefine Monmouth County as an area of application to the Burlington NAF wage area.

Additional Matters Discussed

- (1) Fiscal Year 2011 Prevailing Rate Pay Adjustments (560-OPM-1)
- (2) ACT Presentation, March 2011 – The Federal Wage System and the Role of the Federal Prevailing Rate Advisory Committee (562-OC-1)
- (3) Articles about Tobyhanna Army Depot from Scranton and Wilkes-Barre newspapers (562-OC-2)
- (4) Federal Prevailing Rate Advisory Committee Annual Summary, 2010 (563-OC-1)
- (5) Newspaper article about Tobyhanna Army Depot from the Pocono Record (563-OC-2)
- (6) Statement from OPM Director John Berry to the Federal Prevailing Rate Advisory Committee on the October 21, 2010, recommendation to consolidate FWS wage areas, or portions of wage areas, that lie within General Schedule locality pay areas, except for the Rest of United States (RUS) locality pay area, so that no non-RUS locality pay area would be subdivided between more than one FWS wage area (563-OPM-1)
- (7) Operating Principles Based on the Impact of the 2011-2012 Pay Freeze on the Federal Wage System (563-OPM-2)
- (6) H.R. 1540 - House National Defense Authorization Act, FY 2012 Report Language on Pay Parity for Department of Defense Federal Wage System Employees Employed at Joint Base Military Institutions (564-OC-1)
- (7) FPRAC Working Group on Director's Statement on 563-OPM-1 (565-OC-2)
- (8) Review of Labor Membership on the Federal Prevailing Rate Advisory Committee (566-OC-1)
- (9) Fiscal Year 2012 Prevailing Rate Pay Adjustments (568-OPM-1)

PART III

FEDERAL PREVAILING RATE ADVISORY COMMITTEE SUMMARY OF DISCUSSIONS AT 2011 MEETINGS

Meeting 560 – January 20, 2011

- Review of Lee County, VA
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman’s Memorandum to Members on Survey Issues Work Group
- Review of the Pay Practice for FWS Employees at Reservoir Projects
- Timeliness of FPRAC Recommendations

Meeting 561 – February 17, 2011

- Review of Lee County, VA
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman’s Memorandum to Members on Survey Issues Work Group
- Abolishment of Cumberland, ME, as a Nonappropriated Fund Federal Wage System Wage Area
- Alaska Set-Aside Area Differential Schedules

Meeting 562 – April 21, 2011

- Review of Lee County, VA
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman’s Memorandum to Members on Survey Issues Work Group
- Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam Employees
- Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area
- Draft, Federal Prevailing Rate Advisory Committee Annual Summary, 2010

Meeting 563 – May 19, 2011

- Remarks by Ms. Jennifer McClosky on Behalf of Senator Robert P. Casey (D-PA) on Concerns with the OPM Position on FPRAC’s October 21, 2010, Recommendation to Modify the Regulatory Criteria for Defining FWS Wage Areas
- Review of Lee County, VA
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman’s Memorandum to Members on Survey Issues Work Group
- Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam Employees
- Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area

Meeting 564 – June 16, 2011

- Review of Lee County, VA
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman's Memorandum to Members on Survey Issues Work Group
- Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam Employees
- Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area
- Definition of Killeen-Temple-Fort Hood, TX Metropolitan Statistical Area
- Definition of College Station-Bryan, TX Metropolitan Statistical Area
- Abolishment of Montgomery, PA, as a Nonappropriated Fund Federal Wage System Wage Area
- Abolishment of the Monmouth, NJ, Nonappropriated Fund Federal Wage System Wage Area
- 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

Meeting 565 – July 21, 2011

- Review of Lee County, VA
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman's Memorandum to Members on Survey Issues Work Group
- Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam Employees
- Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area
- Definition of College Station-Bryan, TX Metropolitan Statistical Area
- Abolishment of Montgomery, PA, as a Nonappropriated Fund Federal Wage System Wage Area
- 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

Meeting 566 – August 18, 2011

- Review of Lee County, VA
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman's Memorandum to Members on Survey Issues Work Group
- Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam Employees
- Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area
- Abolishment of Montgomery, PA, as a Nonappropriated Fund Federal Wage System Wage Area
- 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
- Total FWS Employment in the Eastern Tennessee Wage Area by County
- List of FWS Wage Areas with Fewer than 500 Employees

- Review of Criteria for Defining Appropriated Fund Wage Areas
- Letter from the Department of the Army on the Impact of the Applicability of Locality Pay to Federal Wage System Employees

Meeting 567 – September 15, 2011

- Review of Lee County, VA
 - Total Employment in the Eastern Tennessee Wage Area by County
 - List of FWS Wage Areas with Fewer than 500 Employees
 - Review of Criteria for Defining Appropriated Fund Wage Areas (Reprint)
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman’s Memorandum to Members on Survey Issues Work Group
- Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam Employees
- Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area
- Abolishment of Montgomery, PA, as a Nonappropriated Fund Federal Wage System Wage Area
- 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

Meeting 568 – October 20, 2011

- Review of Lee County, VA
 - Total Employment in the Eastern Tennessee Wage Area by County
 - List of FWS Wage Areas with Fewer than 500 Employees
 - Review of Criteria for Defining Appropriated Fund Wage Areas (Reprint)
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman’s Memorandum to Members on Survey Issues Work Group
- Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam Employees
- Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area
- Abolishment of Montgomery, PA, as a Nonappropriated Fund Federal Wage System Wage Area
- 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
- Memorandum from Commander David G. Hanson, Department of the Air Force, dated August 23, 2011, Regarding Wage Survey Area and Effect on Salaries at New Boston Air Force Station, (Memorandum introduced at FPRAC by the National Association of Government Employees)

Meeting 569 – December 15, 2011

- Review of Lee County, VA
 - Total Employment in the Eastern Tennessee Wage Area by County
 - List of FWS Wage Areas with Fewer than 500 Employees

- Review of Criteria for Defining Appropriated Fund Wage Areas (Reprint)
- Discussion of Survey Issues/Concerns
 - FPRAC Chairman's Memorandum to Members on Survey Issues Work Group
- Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam Employees
- Definition of South Bend-Mishawaka, IN-MI Metropolitan Statistical Area
- Abolishment of Montgomery, PA, as a Nonappropriated Fund Federal Wage System Wage Area
- 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

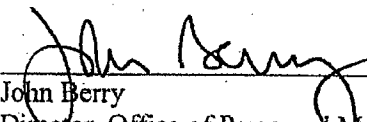
Part IV

CHARTER FOR THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE

1. **OFFICIAL DESIGNATION:** Federal Prevailing Rate Advisory Committee
2. **AUTHORITY:** The Federal Prevailing Rate Advisory Committee is established under section 5347 of title 5, United States Code, in accordance with the provisions of the Federal Advisory Committee Act (FACA), as amended, 5 U.S.C., App.
3. **OBJECTIVES AND SCOPE OF ACTIVITIES:** The Committee shall study the prevailing rate system and other matters pertinent to the establishment of prevailing rates under 5 U.S.C. chapter 53, subchapter IV, as amended.
4. **DESCRIPTION OF DUTIES:** The Committee makes recommendations to the Director of the U.S. Office of Personnel Management on the prevailing rate system for Federal blue-collar workers including—
 - (1) Definitions of local wage areas;
 - (2) Coverage of local wage surveys, including the occupations, establishment sizes, and industries to be surveyed and how surveys are conducted; and
 - (3) Policies on basic and premium pay administration.
5. **AGENCY OR OFFICIAL TO WHOM THE COMMITTEE REPORTS:** The Chairman of the Committee reports to the Director of the U.S. Office of Personnel Management.
6. **SUPPORT:** As provided by 5 U.S.C. 5347, the U.S. Office of Personnel Management provides such clerical and professional personnel as the Chairman of the Committee considers appropriate and necessary to carry out the functions of the Committee.
7. **ESTIMATED ANNUAL OPERATING COSTS IN DOLLARS AND STAFF YEARS:** Using current salary schedules, the estimated annual operating expenses of the Committee are \$276,699. Its estimated staff years are 1.6 full-time equivalents (FTEs).
8. **DESIGNATED FEDERAL OFFICER:** The Deputy Associate Director, Employee Services, U.S. Office of Personnel Management, serves as the Designated Federal Officer to the Committee. The Committee will meet at the call of the Chairman, Federal Prevailing Rate Advisory Committee, in consultation with the DFO or his designee. The Chairman, in consultation with the DFO or his designee, will prepare and approve all meeting agendas. The DFO or his designee will attend all meetings and adjourn any meeting when he determines adjournment to be in the public interest.

9. ESTIMATED NUMBER AND FREQUENCY OF MEETINGS: The meeting schedule contemplated for the Committee is one meeting per month throughout a calendar year; more frequent meetings shall be scheduled when deemed necessary.
10. DURATION: There is no time limit set forth in 5 U.S.C. chapter 53, subchapter IV. The mandate of the Committee is one of a continuing nature until amended or revoked by act of Congress.
11. TERMINATION: There is no statutory termination date. The Federal Prevailing Rate Advisory Committee is permanently established by Public Law 92-392, and its charter is renewed every 2 years under the Federal Advisory Committee Act (Public Law 92-463). The Chairman of the Committee serves for a 4-year term, as set forth in 5 U.S.C. 5347(a)(1). Management members of the Committee serve at the pleasure of the Director of the U.S. Office of Personnel Management. Labor membership is reviewed every 2 years to assure entitlement under the criteria set forth in 5 U.S.C. 5347(b).
12. MEMBERSHIP AND DESIGNATION: The Federal Prevailing Rate Advisory Committee has five management members, five labor members, and one Chairman appointed by the Director of the U.S. Office of Personnel Management.
13. SUBCOMMITTEES: The Chairman of the Committee may, with U.S. Office of Personnel Management approval, form Working Groups to study specific technical issues and report back to the full Committee. Working Groups do not provide advice or work products directly to the Director of the U.S. Office of Personnel Management.
14. RECORDKEEPING: The records of the Committee, formally and informally established subcommittees, or other subgroups of the Committee, shall be handled in accordance with General Records Schedule 26, Item 2. The Committee's records are available for public inspection and copying at the U.S. Office of Personnel Management, subject to the Freedom of Information Act, 5 U.S.C. 552.
15. FILING DATE:

APPROVED:



John Berry
Director, Office of Personnel Management

MAR 30 2010

Date

2011 ANNUAL REPORT TO THE GENERAL SERVICES ADMINISTRATION

As required by section 7(a) of Public Law 92-463, the Federal Advisory Committee Act, an Internet report was submitted to the designated Advisory Committee Management Officer of the U.S. Office of Personnel Management for transmission to the General Services Administration.



UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
Federal Prevailing Rate Advisory Committee
1900 E Street, NW
Washington, DC 20415