

## FEDERAL PREVAILING RATE ADVISORY COMMITTEE

565th FPRAC

**SHELDON FRIEDMAN**, Chairperson, Presiding

Thursday, July 21, 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  
**R. LAMAR WILLIAMS**, Department of Navy  
**BARBARA WALKER**, Department of Army  
**THURSTAN HUNTER**, Department of Veterans AffairsLabor Members**WILLIAM FENAUGHTY**, Metals Trade Department  
**J. DAVID COX**, AFGE  
**JACQUELINE SIMON**, AFGE  
**SARAH SUSZCZYK**, NAGE  
**TERRY GARNETT**, ACT

## Staff Specialists and Visitors:

**TERRI AVONDET**, Office of Personnel Management  
**JEROME MIKOWICZ**, Office of Personnel Management  
**CHARLES D. GRIMES III**, Office of Personnel Management  
**BOB HENDLER**, Office of Personnel Management  
**CHRIS WALLACE**, Office of Personnel Management  
**JILL CRISSMAN**, Office of Personnel Management  
**TAMMY VANKEUREN**, U.S. Air Force  
**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 Defense  
**CRAIG JERABEK**, Department of Defense  
**DENNIS PHELPS**, Metal Trade Department  
**ANN MARIE HANNON**, Department of Veterans AffairsRecording Secretary: **VANNESSA BROWN**

[Transcript prepared from digital audio produced by FPRAC.]

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

**CHAIRMAN FRIEDMAN:** Good morning, everyone. Welcome to this 565th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chairman of the Committee, and as we usually do, why don't we go around the room and introduce ourselves.

I'll start with you, Bill.

**MR. FENAUGHTY:** Hi. Good morning. Bill Fenaughty with Metal Trades Division.

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

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

**MR. GARNETT:** Terry Garnett, ACT.

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

**MR. SHULMAN:** Seth Shulman, DoD.

**MR. WILLIAMS:** Lamar Williams, Navy.

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

**MR. HUNTER:** Thurstan Hunter, VA.

**MR. MIKOWICZ:** Jerry Mikowicz, OPM.

**CHAIRMAN FRIEDMAN:** And right on cue, David, to introduce yourself.

**MR. COX:** J. David Cox, AFGE, and I am just like

swelteringly warm.

[Laughter.]

**CHAIRMAN FRIEDMAN:** You're not the only one.

Terri, why don't you start going around that way.

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

**MR. HENDLER:** Bob Hendler with OPM.

**MR. RUMBLE:** Steve Rumble, Department of Defense.

**MR. JERABEK:** Craig Jerabek, DoD.

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

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

**MS. VANKEUREN:** Tammy Vankeuren, Air Force.

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

**MR. ROVAN:** Hank Rován, DoD.

**MS. BROWN:** Vannessa Brown, OPM.

**MS. HANNON:** Ann Marie Hannon, VA.

**MS. CRISSMAN:** Jill Crissman, OPM.

**MR. WALLACE:** Chris Wallace, OPM.

**MR. PHELPS:** Dennis Phelps, IBEW, Metal Trades

Department.

**CHAIRMAN FRIEDMAN:** Okay. So I think we can get started.

There's one new piece of paper that I passed around that didn't make it into our agenda or kits. I at least want to tell you about it.

The law requires a review every 2 years of FPRAC's labor union representation, and we actually finally got one done. It hadn't been done since 2002. I know that's more than 2 years ago, and the results essentially are there would be no change in the makeup of the committee. The analysis is here for you all to see.

Since I wouldn't think it's fair to discuss it now since people haven't even seen it, if there's any questions or discussion we can have it, or else we can defer that until next time, but at least you've got it. It's been reviewed and approved by the Director.

Also, a couple letters. One, Director Berry's response to a letter from Representative Runyan, it was actually presented here at the meeting before last, if people remember, and then subsequent to that, the Director received a letter from the, I believe, entire New Jersey congressional delegation, all the Senators and Representatives, regarding the matter at the Joint Base in New Jersey. And we have copied that for you, and we'll

also share the Director's response once that has gone out.

There is also a memo about the proposed new working group pursuant to discussions we've had in here about how to move ahead on the study that has been requested by our Director regarding possible implementation of the recommendation that we sent him last October concerning consolidation of wage areas that lie within GS locality pay areas.

And I know we've had quite a bit of back-and-forth on this. I guess we do actually need to take action to set up this working group if we're now in agreement on the wording of this mandate, so why don't I push that down a little bit further in the agenda.

On speculation, I went ahead and set up a working group meeting for after this FPRAC meeting, but this body does in fact need to agree to set up the working group, so we'll come back to that.

That brings up review of the transcript of our last meeting. Are there any edits people have beyond those that you've already sent in?

[No response.]

**CHAIRMAN FRIEDMAN:** And if not, is it safe to assume

that the transcript of our last meeting is acceptable?

I see nods. Okay. We have adopted the transcript.

That brings us to old business. We have a growing list of things that at some point or other, we do need to deal with, hopefully some of them we may be able to resolve today. Let's just see, and let me just take them in order.

Is there anything new on Lee County, Virginia? Are people ready to do anything on that?

**MS. SIMON:** I've been looking into the Lee County issue, and I know that in 2008 when we had our working group that considered changes in criteria for the establishment or merger or whatever of wage areas, we set 300 FWS employees as the minimum to justify the existence of a separate wage area.

I think Lee County may be very, very close to that minimum, and given the sort of ongoing problems emerging out of that wage area, I was wondering if there would be some interest in revisiting that 300 criterion, really just to -- you know, in the context of consideration of other changes to wage areas. I just think that --

Am I right, Mark? Are there right around 300?

**MR. ALLEN:** It was around 300. I think it was a little

bit above 300 the last time we met. It's probably worthwhile to do a data run from I think the March 2011 Central Personnel Data File and see what the exact number is now, but we're discussing in this case the Eastern Tennessee wage area --

**MS. SIMON:** Right.

**MR. ALLEN:** -- which is what Lee County is part of.

**MS. SIMON:** Exactly.

**MR. ALLEN:** If we do start to talk about the criteria again, we would have to look at all wage areas that were --

**MS. SIMON:** Of course.

**MR. ALLEN:** -- around that level.

**MS. SIMON:** Of course.

**MR. ALLEN:** So this wouldn't be focused on just the Lee County issue?

**MS. SIMON:** Well, I think the Lee County issue is sort of raising the question. I think the difference between 300 and 350 is not necessarily a justification for retaining a wage area, given the costs associated with separate surveys and the costs associated with having a separate wage area.

And given the sort of retention issues at least at some employers within Lee County, I think it's reasonable to revisit



that.

I mean, given our existing criteria, you can't move Lee County. You can't do anything.

**CHAIRMAN FRIEDMAN:** Someone just refresh my institutional memory here. I know I remember reading when I came on board that there was a work group in 2008 that had -- it was looking at criteria, changes in criteria.

**MS. SIMON:** We actually did change some criteria.

**CHAIRMAN FRIEDMAN:** At the work group level, but then

--

**MS. SIMON:** Well, we made --

**CHAIRMAN FRIEDMAN:** -- it never --

**MS. SIMON:** -- recommendations.

**CHAIRMAN FRIEDMAN:** -- became an --

Okay. And did FPRAC ever actually act on those and send the Director a recommendation, or what was the disposition?

**MR. ALLEN:** There was a recommendation that this committee should consider making recommendations to the Director of OPM if the wage area fell below 300 employees at any time, and the thinking back then was that there were -- and there still are -- survey resources that, of course, need to be used when any

survey is conducted. And those survey resources were becoming scarcer back at that time, and that's certainly not changed.

That was the main driver behind FPRAC making that recommendation to itself. We did not change the regulatory criteria.

**CHAIRMAN FRIEDMAN:** So this never actually resulted in a recommendation to the Director?

**MR. ALLEN:** No.

**MS. SIMON:** So we have not abolished any wage areas because they fell under 300? I thought we had.

**MR. ALLEN:** No, we have not.

**MS. SIMON:** Okay.

**MR. ALLEN:** We took a look at the -- I believe it's the New London wage area that was right around maybe 280 or so employees, and the committee decided that it was not appropriate to abolish that wage area, combining another one, at that time.

But there are several areas that are below 300 employees. So, if we do want to revisit that, we can.

**MS. SIMON:** Okay.

**MR. ALLEN:** I do just need to remind everybody that that would be a change in the regulatory criteria that OPM uses

for defining wage areas, and because of that, and because we're under a pay freeze, we can't really change anything through the regulatory process for the next year and a half.

**MS. SIMON:** Well, it's not that we can't, but we could certainly propose it.

**CHAIRMAN FRIEDMAN:** So it sounds like this is really morphing into a new business item to revisit the proposal that was on the table in the work group in 2008 regarding redefinition -- or tweaking the regulatory criteria based on the results of that work group's activity, then.

Why don't we come back to that a little bit later in the meeting and see how to move ahead on it.

Is there anything else in Lee County then?

**MS. SIMON:** No. That was -- that was really it.

**CHAIRMAN FRIEDMAN:** The next issue is the work group that's been under way on the survey issues. I don't know if there's anything new to discuss on that right now. I guess we're going to most likely hold that one in abeyance while we forge ahead with the new work group, which we're going to talk about in a minute.

Anything on that?

[No response.]

**CHAIRMAN FRIEDMAN:** Okay. It is not my intention to let that one drop, and we'll come back to it when our time permits. There's a lot of unfinished business in that work group, but we've got to move ahead on this other one.

Anything on Item C, the Army Corps of Engineers' special pay practice for lock and dam employees?

**MS. SIMON:** Could you just remind us or bring us all up to speed on what's going on with the lock and dam? You're in the midst of analyzing the pay practices to help us make a decision about what to do for the lock and dam employees?

**MR. ALLEN:** Management members introduced a recommendation back in -- towards the end of March. It was in 562-MGT-1. It was prompted by a letter from Senator Boozman of Arkansas, who had received inquiries from constituents in the Fort Smith area who were working on a navigation channel project, but they're paid from the Little Rock, Arkansas, wage schedule.

FPRAC made a recommendation 2 or 3 years ago to move Fort Smith into the Tulsa wage area, and OPM did that based on FPRAC's recommendation, but that did not move the lock and dam employees that Senator Boozman had in his district, so to speak.

He was a Representative at the time that he was asking for help on this.

So we took a look. The Management members took a look at the overall status of the workforce that is paid under the lock and dam special schedule, and we have what basically amounts to a statistical analysis of the 1,600 or so employees who are currently paid from that special pay practice. We analyzed what would happen to them if we changed the pay practice and instead used regular wage schedules, and there's also some historical background information in the analysis packet. This was not an uncontentious issue when it was last discussed back in the 1970s.

**MS. SIMON:** Well, what about the Army Corps' lake workers? Don't they have special pay practices, also?

**MR. ALLEN:** Employees who are working for the Army Corps of Engineers at lake projects --

**MS. SIMON:** Yeah.

**MR. ALLEN:** -- are not under a special schedule. They're paid from regular wage schedules.

**MS. SIMON:** So ,when you're doing your analysis, you're comparing how the lock and dam workers would be paid if they continued under the special pay practices for lock and dam versus

regular wage schedules --

**MR. ALLEN:** That's right.

**MS. SIMON:** -- like the lake project employees?

**MR. ALLEN:** Mm-hmm.

**MS. SIMON:** So, implicitly, the comparison to the lake project employees is already included in your analysis? Is that what you're saying?

**MR. ALLEN:** No. The employees who work on the lakes typically do not have to go many hundreds of miles from one duty location, their official duty station, into another wage area to work on the same type of --

**MS. SIMON:** Waterway, whatever.

**MR. ALLEN:** -- waterway.

**MS. SIMON:** Okay.

**MR. ALLEN:** They're working on dams --

**MS. SIMON:** And that's the rationale for the different pay practices, the fact that in the course of your work, you move from one -- you're working in more than one wage area at a time?

**MR. ALLEN:** That was the reason for establishing a special pay practice for the employees who work on navigation locks and dams. The employees who work on dams that are damming

lakes were not included in the special pay practice back when the special pay practice was established.

**CHAIRMAN FRIEDMAN:** Well, I think the thing I was wondering, I don't know if this was on your mind, Jacque, but I'm just curious if the analysis that was done for the lock and dam employees was also done for the lake workers, how that would turn out: are they better off or worse off compared to their current situation? If they were paid based the same special pay practice, I'm just curious how the results would compare for the two groups.

**MR. ALLEN:** They really are different groups of employees in terms of their working relationships with their district headquarters and where they might be asked to report to work on any given day.

**CHAIRMAN FRIEDMAN:** Okay.

**MR. ALLEN:** When we last talked about this, we were trying to get an idea if there was some information from the field regarding the navigation lock and dam employees that the committee members wanted to share with each other to see if there was something we were missing in our analysis about how people actually work today, because it may be the case that they're not

traveling from one location to another as routinely as they used to. I would imagine that quite a lot of that type of work has been contracted out over the years, so I think we're still open to getting that kind of information.

**MS. WALKER:** And I have gone out to Corps of Engineers asking for some feedback on that, and I have not received any yet. I will report to the committee as soon as I get it.

**CHAIRMAN FRIEDMAN:** Oh, thank you. Well, we'd be interested to hear that. That might help us move ahead on this matter.

Okay. Well, if there's anything else on that issue, let's --

**MR. FENAUGHTY:** Sheldon, I have a question.

**CHAIRMAN FRIEDMAN:** Yeah, go ahead.

**MR. FENAUGHTY:** Mark, I'm trying to get a better handle on what you just said, about the difference. What's the major difference between a Corps of Engineers person who works up and down a river in so many different locations and a lock and dam employee who goes from lock to lock in so many different locations? I think you would try to make a distinction about the kind of work that they do.



**MR. SHULMAN:** The lake folks that work on lake projects go to a specific location. That's their duty location. They don't flip back and forth.

**MR. FENAUGHTY:** And those are Army Corps of Engineers people?

**MR. SHULMAN:** Those are also Army Corps of Engineers people.

**MR. FENAUGHTY:** So they're both lock and damn people and Army Corps of Engineers?

**MR. SHULMAN:** Yes. They're lock and dam, navigation lock and dam employees, the Army Corps of Engineers, and lake projects are also Army Corps of Engineers employees. They have different types of duty locations.

The lock and dam folks float up and down the river, depending -- and if we take them one wage survey area and put them to another --

**CHAIRMAN FRIEDMAN:** And the lock and dam folks are paid based on the location of their district headquarters, I believe; whereas the lake folks are paid based on the physical location --

**MS. SIMON:** Location of --

**CHAIRMAN FRIEDMAN:** -- of the lake.

**MS. SIMON:** -- the lake, right?

**MR. SHULMAN:** Duty location, because the lake itself is their duty location.

**MS. SIMON:** Okay.

**MR. FENAUGHTY:** Okay, thank you.

**CHAIRMAN FRIEDMAN:** So, anything more on this one?

**MS. SIMON:** Is the work they do any different?

**MR. SHULMAN:** Could be. I mean, it could be. A lock and dam work itself is different than just a particular lake project.

**MS. SIMON:** Okay.

**MR. SHULMAN:** Maintenance of a lock and dam is going to be different than maintenance of a retaining wall around the lake.

**MS. SIMON:** Okay.

**CHAIRMAN FRIEDMAN:** Okay. Well, I'm going to figure out some way for us to get a resolution on this but would welcome suggestions.

Okay. That brings up D and E. Is there anything new on either of those? Are people ready to make any decisions on those?

**MR. ALLEN:** I believe, Mr. Chairman, we have deferred further action on the South Bend-Mishawaka MSA because we wanted the working group to look at that. I think we're still fine with deferring that one.

**CHAIRMAN FRIEDMAN:** Okay.

**MR. ALLEN:** On E, we had discussed the College Station-Bryan, Texas MSA. There seemed to be a need to take a closer look at that one.

Do you need me to go through that one again?

**MS. SIMON:** College Station one?

**MR. ALLEN:** Yeah.

**MS. SIMON:** No, but I do have some questions about F. I don't know about anybody else.

**MR. FENAUGHTY:** I'd like you to go through that, Mark, if you would, if it's brief.

**MR. ALLEN:** With this type of issue, what we're really doing is playing catch-up with definitions in metropolitan statistical areas as they grew following the 2000 Census. There were new criteria that were established that caused MSAs to get bigger and added a whole lot of rural counties to existing metropolitan statistical areas.

One of them that we identified that needs to be reviewed under the Federal wage system criteria that an MSA not be split for the purpose of defining wage area boundaries is the College Station-Bryan, Texas, MSA. When we did an analysis of the regulatory criteria for this metropolitan statistical area, what we found -- and the analysis summary is on page 3 -- is that distance favors having the whole MSA in the Waco wage area, and the similarities in overall population, total private sector employment, and the kinds and sizes of private industrial establishments criteria also favor Waco. The other criteria point to neither.

Given the generally considered distance first, that's the main reason for the Management proposal to move the one county, Burleson County, Texas, that's not currently in the Waco wage area, into the wage area with the rest of the MSA. No employees are affected by the Management recommendation.

**CHAIRMAN FRIEDMAN:** Are we ready to make any decision on this one today? Is there a consensus?

**MS. SIMON:** Okay.

**MR. COX:** Mark, again, you're saying no employees are affected?

**MR. ALLEN:** That's right.

**MR. COX:** Well, that always makes it easier.

[Laughter.]

**CHAIRMAN FRIEDMAN:** Okay. So we have done some business. Good. Adopted this one, I believe.

This brings up F under old business, abolishment of Montgomery, Pennsylvania, as a nonappropriated fund wage area.

I think this one is somewhat time sensitive, so it would be helpful if we can move on it. Is there any discussion?

**MS. SIMON:** Well, I actually have a question, and that is, what's the rationale for having completely separate wage area boundaries for NAF and for appropriated fund?

**MR. ALLEN:** It actually goes back to the law and the legislative history. Nonappropriated fund employees are only considered employees under Title 5 for pay purposes, and they were added on to the coordinated Federal wage system when the Prevailing Rate Systems Act was enacted back in 1972. This committee spent several years developing a counterpart pay system for nonappropriated fund blue collar employees, and that's basically the rationale. It goes back to how the law was passed and --

**MS. SIMON:** Is it because the places that employed nonappropriated fund wage grade employees were different? Were there concentrated numbers of NAF employees in different locations from the places where there were concentrated numbers of appropriated fund wage grade employees?

**MR. ALLEN:** I think what happened really was that the Federal wage system appropriated fund wage areas were established where there were large concentrations of appropriated fund employees, which would typically be around a major military installation or VA medical center.

**MS. SIMON:** Uh-huh.

**MR. ALLEN:** The nonappropriated fund employees would most likely be very similar locations.

**MS. SIMON:** Well, I was thinking they're usually attached to those same activities, so why the different wage areas? I mean, I don't know if there was a reason then, but what in the world is the reason now?

**MR. ALLEN:** The reason now is because, to get back to the law --

**MS. SIMON:** Because we used to do it? Well, I mean, I don't mean to be facetious. I really want to understand what's

-- why we would, you know, retain these complete separate areas.

**MR. ROVAN:** The law specifically states for nonappropriated fund wage area definition that it be the immediate locality. There is no language about MSAs or any of those other concepts.

The only definitional criterion that there is, is immediate locality, which means around the installation, and it would be the county that the employees work in on that basis.

**MS. SIMON:** Okay. So you'd need a law change in order to --

**MR. ROVAN:** Yes.

**MS. SIMON:** -- actually change the criteria to make them more in line with the appropriated fund?

**MR. ROVAN:** Definitely.

**MS. SIMON:** Okay.

**CHAIRMAN FRIEDMAN:** Can I just follow up on that a little bit? Because, I mean, if you look at these maps, a lot of the counties aren't even adjacent that are in these NAF wage areas, right?

**MR. ROVAN:** The only -- there are holes because you only have an area defined when there are NAF employees in it.

**CHAIRMAN FRIEDMAN:** Right.

**MR. ROVAN:** If there are no NAF employees, then there is nothing.

**CHAIRMAN FRIEDMAN:** Right. But it is hard for me to understand why the areas have evolved so differently in their definitions.

**MR. ROVAN:** Again, it goes back to the law.

**CHAIRMAN FRIEDMAN:** Okay.

**MR. ALLEN:** There's also an underlying legal principle that drives having a NAF system that's separate from the appropriated fund system, and that is the prevailing rate concept.

The law, I believe, also requires that different industries be surveyed to establish the nonappropriated fund rates.

If NAF industries had been surveyed as part of the appropriated fund system back when the Federal wage system was created, I believe that most likely, the appropriated fund wage schedules would have been reduced in order to have the nonappropriated fund wage schedules kind of merged in with the appropriated fund schedules. So what we're really looking at is



a difference between the types of work that most employees of nonappropriated fund activities do and what the most employees do who are paid from the appropriated funds.

It's like the difference between a workforce that primarily does work in restaurants --

**MR. SHULMAN:** Service industries, retail sales --

**MR. ALLEN:** Yeah.

**MR. SHULMAN:** -- as opposed to --

**MR. ALLEN:** People working in shipyards.

**MS. SIMON:** Like commissaries and stuff like that.

**MR. SHULMAN:** Yes, exactly right, as opposed to skill trades.

**MS. SIMON:** No, I'm aware of the difference between the workforces. I just didn't understand the difference between the wage area boundaries, why that was attached to it.

**MR. ALLEN:** I think Hank hit the nail on the head for that question.

**MS. SUSZCZYK:** But if it is metropolitan areas, again, why are we jumping counties that are not even --

**MS. SIMON:** It's counties, I think he said.

**MS. SUSZCZYK:** Oh.

**MS. SIMON:** Did you say counties?

**MR. SHULMAN:** Counties.

**MS. SUSZCZYK:** Counties.

**MS. SIMON:** Counties, not metropolitan area, so this is

--

**CHAIRMAN FRIEDMAN:** So where does that leave us on this specific recommendation from Management?

**MS. SIMON:** And the deal is that there are now too few NAF employees in Montgomery County?

**MR. ALLEN:** I believe there will be a few if any in Montgomery County because of the closure of Willow Grove, which will be closing -- if it hasn't closed already, it should be closing very, very soon.

There is also a VA medical center in Philadelphia. I think that's the main group of employees who would be remaining that we're really concerned about in this case, but what we would like to do is get them transferred to a continuing wage area, so that in most cases, the employees would actually see their pay increase in October. And that's the reason we want to push ahead.

**MS. SIMON:** Montgomery is the survey area. Bucks,

Chester, and Philadelphia would then become a NAF wage area.

**MR. ALLEN:** It would redefine Montgomery and Philadelphia counties as areas of application for the Burlington, New Jersey, wage area.

Chester County would be part of the area of application for Harford, Maryland.

Luzerne County would go to the Morris, New Jersey, wage area. Bucks County would be removed, because there are no longer employees in that county as we speak.

**MS. SIMON:** And the wages in Burlington, New Jersey, are lower than they were in the Philadelphia and --

**MR. ALLEN:** I believe that they're higher at Grades 1 and 2, and about equal at Grade 3.

**MS. SIMON:** And Philadelphia has -- Philadelphia County has just 21 NAF employees?

**MR. ALLEN:** It is on page 2-1, following the maps. We show zero in Bucks County, 8 in Chester, 8 in Luzerne, 14 with the VA medical center in Philadelphia, and 7 with the Naval Support Activity.

**MS. SIMON:** And Luzerne is going to go to what wage area?

**MR. ALLEN:** Luzerne goes to Morris, New Jersey.

But, yeah, you're correct. None of those remaining counties have enough employees in them to justify being a separate wage area.

**MS. SIMON:** What's the minimum for NAF?

**MR. SHULMAN:** Twenty-six.

**MR. FENAUGHTY:** How many?

**MR. SHULMAN:** Twenty-six.

**MS. SIMON:** They need to hire five more people at the VA medical center in Philly.

[Laughter.]

**MS. SUSZCZYK:** What is the wage for employees in Chester County? Would they be going up, the employees who would be considered now in the Harford -- Chester to Harford? Are the wages higher or lower?

**MR. ALLEN:** I don't have that information separated out.

Comparative wage schedules are in the back of the review. Typically, what we find when we're dealing --

**MS. SUSZCZYK:** We would like a caucus.

**CHAIRMAN FRIEDMAN:** Pardon me?

**MS. SUSZCZYK:** We want to have a Labor caucus, not to interrupt. Sorry.

**CHAIRMAN FRIEDMAN:** Of course. I think we have the Small Pendleton Room.

**MS. SIMON:** To take a look at some of these.

**CHAIRMAN FRIEDMAN:** Small Pendleton Room for caucuses.

[Labor caucus held off the record.]

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

Any further discussion of the Management proposal to abolish Montgomery, Pennsylvania, nonappropriated fund wage area?

**MS. SUSZCZYK:** I propose moving Chester County with Bucks and Philadelphia into Burlington, and if that's -- I think that makes just as much sense as moving Bucks and Philadelphia into Burlington, and that would not harm the employees that are currently in Chester County.

**CHAIRMAN FRIEDMAN:** Is that change acceptable to Management?

**MR. SHULMAN:** Don't know. Let's go back and take a look at it.

**CHAIRMAN FRIEDMAN:** You guys want to caucus or do you want to --

**MR. SHULMAN:** I don't know that we'd reach a decision on it today. We probably may need to caucus and run some numbers.

**CHAIRMAN FRIEDMAN:** Okay.

**MR. FENAUGHTY:** It's only eight people. It's eight people.

**MR. SHULMAN:** We still need to run some numbers.

**MR. ALLEN:** What we would need to look at are the regulatory criteria. The regulatory criteria are a little bit different for the appropriated fund and nonappropriated fund employees. Commuting is not something that's looked at. Proximity is really the main thing that's looked at, although we also look at similarities in overall population, private employment, that type of thing.

When we look at proximity for Chester, it favors Harford. I misspoke before, we do look at commuting patterns and transportation facilities. Commuting patterns would favor Burlington.

**MS. SIMON:** Yeah. Chester County is very much a suburban county of Philadelphia, and the bridge to New Jersey is right off the road in Chester County.

**MR. ALLEN:** Yeah. I do think we need to take another look at this. It's not always necessarily a given that if a wage area is abolished that counties have to be split up and sent in different directions. If there's a historical pay relationship between counties in an existing wage area, they could be moved together to the new wage area.

**MR. SHULMAN:** We need to analyze it to be sure.

**MR. ALLEN:** Okay.

**CHAIRMAN FRIEDMAN:** Okay. So we will revisit this at the next meeting.

And that brings up the last old business item, which is the proposal from AFGE to move -- to redefine Monroe County, Pennsylvania. Is there anything further on that at this time?

**MS. SIMON:** Does Management have a response?

**MR. SHULMAN:** We are not prepared to discuss this at this point, and we tried hard to get the primary affected party represented here at today's meeting to be here to discuss the matter with us, and that would be the garrison commander, et al., from Tobyhanna Army Depot. Unfortunately, just because of scheduling, that couldn't happen, but they did say that they would be available at the next meeting.

So, if we would be willing to shelve this again, I think that they would have some -- their information would have some probative value in terms of this discussion. I think it would be a mistake to ignore any information that they would bring to the table and be able to share with us.

Furthermore, I think it would be instructive for us to be able to complete a full financial analysis of this proposal, and that's something we haven't had time to do.

**CHAIRMAN FRIEDMAN:** Okay. So I guess we'll --

**MS. SIMON:** Obviously, money matters, but it's not supposed to matter for our decisions.

**MR. ALLEN:** We would potentially be hearing a perspective that has not been presented to the committee on this particular county, so it may well be instructive to hear what the garrison commander has to say.

**CHAIRMAN FRIEDMAN:** Okay. Well, we'll defer this one, then.

**MS. SIMON:** Okay.

**CHAIRMAN FRIEDMAN:** And it would be interesting to hear from the garrison commander next time.

It's not on the agenda, but I do think it's an item of



new business that we need to address, which is the matter of setting up this new working group, which has a name. Let's see.

I think everyone has 565-OC-2, FPRAC working group on Director's memo, and we call it in the memo the Wage Area Definition Study Group, and this is the study group that would be working with the OPM and DoD staff that are drafting the report that Director Berry has requested.

Is there a concurrence that we should set up this working group?

**MR. SHULMAN:** Management would like to ask for a caucus on this matter since this document was first presented to us in its final form today.

**CHAIRMAN FRIEDMAN:** Okay.

**MR. SHULMAN:** We've seen it in various iterations but have not had a chance to discuss it.

**CHAIRMAN FRIEDMAN:** I think it was e-mailed earlier, but you're certainly most welcome to have a caucus.

**MR. SHULMAN:** Thank you.

**CHAIRMAN FRIEDMAN:** The Small Pendleton Room is available.

**MR. SHULMAN:** Thank you.

[Management caucus held off the record.]

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

Is there anything to report to us from your caucus?

**MR. ALLEN:** Mr. Chairman, I believe we do have consensus on establishing the working group under 565-OC-2. All the rules that are in there are rules that we think are appropriate for the working group to follow to meet the Director's objective of obtaining more information on the issue that was presented to him for his consideration back in October of last year.

**CHAIRMAN FRIEDMAN:** Is there consensus on the Labor side to set up the working group pursuant to this document?

**MR. FENAUGHTY:** Yep.

**CHAIRMAN FRIEDMAN:** Okay.

Another potential item of new business -- I don't know. Maybe we need to think through it some more, but going back to the earlier discussion, the proposals that were left on the table in the 2008 work group relating to tweaking regulatory criteria such as the threshold for considering abolishment of wage areas, how do we move ahead on that? How do we get some sort of report on where things were in 2008 in that work group, things that

apparently had some consensus at that point but were never actually implemented?

**MR. ALLEN:** I think a good approach is to do another analysis by wage area and see what wage areas are currently above the threshold or possibly below the threshold of 300 that the members of this committee talked about a couple years ago, and we could either do that through the other working group that was established for that purpose, or we could just present some information back to the full committee.

**MS. SIMON:** Could we get a copy to the full committee, the report of that 2008 work group? I think there was consensus on at least something. I forget what. I mean, I know I have it in my files.

**MR. ALLEN:** Yeah. There are a series of messy votes --

**MS. SIMON:** The reason I thought there was consensus on something that was adopted was this idea of consolidating metropolitan statistical areas and combined statistical areas.

**MR. ALLEN:** No, we never discussed that part.

**MS. SIMON:** Really? We never discussed it?

**CHAIRMAN FRIEDMAN:** Was there a report? And I've seen one, too, I believe, a report from that work group in 2008. Why

don't we at least share that.

**MR. ALLEN:** There's an FPRAC document which had -- I think it was five different options, but coming out of the working group, everybody had been in agreement to take a look at wage areas with fewer than 300 employees to see if they should be abolished and combined with other wage areas, but we never got beyond that stage.

We voted on the options, and there was a split vote, so there was actually no agreement on anything specific. There is an FPRAC recommendation which resulted in no changes to OPM's regulatory criteria. If we did want to add a regulatory criterion, set a threshold of a certain level for a wage area to continue, then we could do that, but we would not be able to do that for, I guess, as long as the pay freeze is in place, because it would affect some employees negatively, some employees positively.

**MS. SIMON:** That wasn't what I was wondering.

Would it be possible to reintroduce that list of options, so that we can see again what was under consideration in 2008?

**CHAIRMAN FRIEDMAN:** Why don't we circulate the piece of

paper, so everybody can see what it was --

**MS. SIMON:** Okay.

**CHAIRMAN FRIEDMAN:** -- and then see which ones -- and what the disposition was at that time as well as I think it would be useful to circulate the list you mentioned, the descending order of wage areas by current employment level or those that are below some threshold. Those two pieces of paper, I think would help us move forward.

**MS. SIMON:** Are those data in FedScope?

**MR. ALLEN:** The wage area definitions are not in FedScope.

**MS. SIMON:** So you can't go like pay system and FWS and then number of employees by --

**MR. ALLEN:** It would take a while to do. It would be intensive manual labor for somebody to do something like that using FedScope because we have some counties that are split --

**MS. SIMON:** Okay.

**MR. ALLEN:** -- between wage areas, and there are 132 separate wage areas to deal with.

**MR. ALLEN:** Okay.

**CHAIRMAN FRIEDMAN:** Is there any other new business?

[No response.]

**CHAIRMAN FRIEDMAN:** If not, I want to recognize our colleague Chuck Grimes who has requested a point of special privilege that I think he richly deserves.

**MR. GRIMES:** Thank you very much.

I've been associated with FPRAC for most of 35 years, and it's been a blast, but the Director has asked me to assume a new role here at OPM as the Chief Operating Officer, which will sort of take me out of this role here, so I just wanted to thank all of you for all the good debates that we've had over the years.

I started with the Federal Wage System back in 1976, so I've been either doing wage surveys or sitting as the Designated Federal Official for a pretty long time. In fact, I'm not sure how many of you know, but I hired Mark probably 20 years ago. I think I was responsible for recruiting Craig back about 35 years ago.

So it's been a long and productive relationship with you all, and I just wanted to say thanks.

**MS. SIMON:** And thank you.

**MS. SUSZCZYK:** Thank you.

**MR. FENAUGHTY:** Thank you.

**CHAIRMAN FRIEDMAN:** Thank you very much.

I guess the new face at the table, Designated Federal Official for FPRAC, will be Jerry, or is that not yet official? I don't know. Did I jump the gun here?

**MR. GRIMES:** The rest of the story is that Angie Bailey will be taking over Employee Services as Associate Director. Joseph Kennedy will be taking on the Deputy Associate Director role in Employee Services, and under your charter, that person is the Designated Federal Official.

I suspect, though, he will designate Jerry as -- Jerry will be the designee at these meetings, although you might see Joseph occasionally, so that's the rest of the story.

I would introduce Jerry, but I think you guys all know him.

[Laughter.]

**MR. GRIMES:** He's been around for, you know, longer than 35 years, so I'm leaving you in good hands.

**CHAIRMAN FRIEDMAN:** Okay. Well, good luck in your new assignment.

I think we can have at least a short initial meeting of

our new work group which will convene in about 10 minutes or maybe a little less, given the time, after we adjourn.

Unless there's anything else for this morning's meeting, a motion to adjourn would certainly be in order.

**MS. SIMON:** So moved.

**MR. ALLEN:** Seconded.

**CHAIRMAN FRIEDMAN:** Okay. Hearing no objection, we are adjourned. Thank you.

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