

## FEDERAL PREVAILING RATE ADVISORY COMMITTEE

560th FPRAC

**SHELDON FRIEDMAN**, Chairperson, Presiding

Thursday, January 20, 2011

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

## ATTENDANCE:

## Members/Alternates:

Management Members**MARK ALLEN**, Office of Personnel Management**JOHN EHRBAR**, Department of Defense**CARLOS SAAVEDRA**, Department of Navy**BARBARA WALKER**, Department of Army**THURSTAN HUNTER**, Department of Veterans AffairsLabor Members**DENNIS PHELPS**, Metals Trade Department**J. DAVID COX**, AFGE**JACQUELINE SIMON**, AFGE**GINA LIGHTFOOT-WALKER**, NAGE**STEVE FISHER**, ACT

## Staff Specialists and Visitors:

**MADELINE GONZALEZ**, Office of Personnel Management**CHARLES D. GRIMES III**, Office of Personnel Management**STEVE RUMBLE**, Department of Defense**H.L. ROVAN**, Department of Defense**KARL FENDT**, Department of Defense**DAWNA POWELL**, Department of Defense**MELISSA ARROYO**, Department of Navy**WILLIAM FENAUGHTY**, NFFE**MARY AUGSBURGER**, Department of Air ForceRecording Secretary: **TERRI AVONDET**

[Transcript prepared from digital audio provided by FPRAC.]

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

**CHAIRMAN FRIEDMAN:** Thank you. Welcome everybody to this 560th meeting of FPRAC, and Happy New Year to all.

I am Sheldon Friedman, Chairman of FPRAC, and as usual, why don't we go around and introduce ourselves.

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

**MR. EHRBAR:** John Ehrbar, Department of Defense.

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

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

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

**MR. COX:** J. David Cox, AFGE.

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

**MS. LIGHTFOOT-WALKER:** Gina Lightfoot-Walker, NAGE.

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

**CHAIRMAN FRIEDMAN:** And if people sitting along the sides of the room would introduce themselves, as well.

**MR. RUMBLE:** Steve Rumble, DoD.

**MS. POWELL:** Dawna Powell, DoD.

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

**MR. ROVAN:** Hank Rován, Department of Defense.

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

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

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

**MR. FENAUGHTY:** Bill Fenaughty, NFFE.

**CHAIRMAN FRIEDMAN:** Welcome again, everyone. Our recorder worked very well last time, so we have new equipment. So we think we may have licked our transcription problem; that is to say, the new equipment worked. So we don't think we need a court transcriber anymore, we hope. We will cross our fingers.

Let me just go through a couple of issues by way of announcements. Is there anything new on the longstanding issue raised by now Senator Boozman?

**MR. ALLEN:** We don't have anything to introduce today. We are making progress on that study of the locks and dams schedules.

**CHAIRMAN FRIEDMAN:** Okay. And everybody has in their packets a memo from OPM Director Berry regarding the Fiscal Year 2011 Prevailing Rate Pay Adjustments, Document

560-OPM-1. Any questions about that?

[No response.]

**CHAIRMAN FRIEDMAN:** Hearing none, let's move on to review of the minutes of our previous meeting.

Does everyone have the minutes and has everyone had a chance to review them? Are there any further corrections or changes beyond those that people have already submitted?

Going once -- hearing none, is there a motion to approve the minutes of the last meeting?

**MR. PHELPS:** So moved.

**CHAIRMAN FRIEDMAN:** Is there a second?

**MR. ALLEN:** And second.

**CHAIRMAN FRIEDMAN:** So, if there is no objection, we have adopted the minutes from the last meeting.

That brings up the first item of Old Business, Review of Lee County, Virginia.

Is there any discussion?

**MR. ALLEN:** It's my understanding, Mr. Chairman, that the issue of Lee County wasn't one that we were able to resolve by consensus at the last meeting. A member was

going to ask for additional information, I believe.

**MS. SIMON:** We don't have it yet.

**CHAIRMAN FRIEDMAN:** Don't have it yet? You need more time to do that? So we will kick the can down the road on this one? Okay?

**MR. ALLEN:** Yes, that's fine.

**CHAIRMAN FRIEDMAN:** That's what we will do.

And that brings up discussion of survey issues and concerns that bubbled up late last year. As I indicated at the last meeting, I would and did prepare a memo of ideas that could be the basis for work group discussion.

It is only my ideas, it is not engraved in anything except maybe printer's ink, and so I would welcome comments. We don't have a particularly crowded agenda today, so if people wanted to start discussing this now, we could do that. Alternatively, please feel free to send in any comments or suggestions you have, things that ought to be added to the list, things that you feel strongly ought to be subtracted from the list or rephrased.

Obviously, it's a very long list, and one thing that would be helpful is to have suggestions about how to

proceed through it in an orderly way, which topics to take up first, what the sequence should be in the work group. If people want to start discussing this now or just respond off line, do it, whatever is your pleasure, but please respond to me.

**MR. ALLEN:** I would like to thank the Chairman for putting down so many thoughts in one place. I looked through the document and what I have seen are things that have been raised in a variety of different forms by employees under the Federal Wage System, and they are not questions that this committee has really addressed for a long time.

I think a good number of them are more reflective of lack of information or lack of adequate information among employees, and others are ones where this committee needs to consider improvements to the wage system and possibly recommend any changes to the Director of OPM that might make the system function better.

**CHAIRMAN FRIEDMAN:** Any other discussion?

**MS. SIMON:** I would just agree with Mark. I am not sure, you know, how much, you know, maybe some of these

questions will be easily answered, but a lot of them will require doing some research and maybe even field research, and I think it is a really comprehensive list and it's a great list, and actually, I reserve the right to come back and ask to include some additional issues, but right now, my first perusal, it seems a very comprehensive list and all things that I would like us to work on in our work group. It does address at least all of the kind of inquiries we have had from our members in our local that involve problems with the data collections I have had.

**CHAIRMAN FRIEDMAN:** I should say it is not meant to foreclose anything. In fact, as we get into it, we may well uncover additional topics.

Welcome, Carlos. Why don't you state for the reporter that you are here.

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

**MR. ALLEN:** I would note for the record that the Committee membership has changed to conform to the practice of rotating the military department representation among Army, Navy, and Air Force. Air Force was replaced by Navy



in 2011.

**CHAIRMAN FRIEDMAN:** Congratulations. Well, I guess, then, the next step would be for us to set a meeting date for the work group, which we either without our calendars try to do here, or could ask Madeline to please contact everybody about availability.

What is your pleasure, just ask Madeline to try to schedule an initial meeting for us?

**MR. PHELPS:** That sounds good to me.

**CHAIRMAN FRIEDMAN:** Okay. So, that is what we will do.

Well -- yes, go ahead.

**MS. SIMON:** I have some questions. This is kind of on a separate issue, but I actually had not seen that memorandum of December 27 on the implementation of the freeze.

**CHAIRMAN FRIEDMAN:** We can go back to that.

**MS. SIMON:** Well, it's okay, I mean I have looked at it, you know, but I just want to ask a question. Everything is going to go forward as if there weren't a freeze. It's just that nobody is going to get a pay raise.

Is that correct?

**CHAIRMAN FRIEDMAN:** Do you want to respond to that, Mark?

**MR. ALLEN:** What do you mean by "Everything is going to go forward"?

**MS. SIMON:** All the machinery of the Federal Wage System will continue to operate as if there were not a pay freeze even though nobody will get a pay raise.

**MR. ALLEN:** All the wage surveys? Yeah, that is going to be ongoing.

**MS. SIMON:** Wage surveys, publication of schedules, and all that kind of stuff. It is just that nothing will be implemented, and everything will continue to occur.

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

**MS. SIMON:** Okay.

**MR. ALLEN:** Unless somebody orders us to stop. I haven't heard anybody say anything about that.

**MS. SIMON:** Okay.

**MR. ALLEN:** Yeah, it's business as usual in the actual wage survey process unless DoD has a different

opinion.

**CHAIRMAN FRIEDMAN:** Anything further on the Director's Memorandum?

[No response.]

**CHAIRMAN FRIEDMAN:** Okay. I had asked for two new items under New Business, essentially by way of follow-up to a concern that was raised by former Representative Childers in Northern Mississippi.

One is -- and I am just going to think out loud here, I don't really know what to do about this -- so, on the one hand, so here we have a string of four lakes in very close geographic proximity, to one another, that straddles two FWS wage areas. I don't think there is any dispute that folks are doing pretty much the same work, and they are all working for the same administrative unit of the same agency.

The current geographic criteria do not appear to warrant having them all in the same wage area, and yet to me somehow it seems kind of strange that folks working so close together for the same administrative unit of the same agency, doing essentially the same work, are getting paid differently depending on which lake they are at.

I don't know if anyone else is troubled by that. I could be the only one, in which case we can scratch this issue right off our list. Apparently, a long time ago, FPRAC did review the pay practice for the reservoir employees of the Army Corps of Engineers. The 1970s was the last review.

It seems to me it might be time to look again to see if perhaps there is a different approach that is needed for these folks. If people agree with that, then I would propose we put it on our agenda; let's take a look at it.

**MS. SIMON:** It is obvious that you are not the only person that cares about this, because former Representative Childers came forward to bring it to our attention as a problem, so I think we -- I would like to say that I am in favor of pursuing a solution.

**MR. PHELPS:** Metal Trades Department would like to do so, as well.

**MR. FISHER:** ACT also.

**CHAIRMAN FRIEDMAN:** Any other discussion of this question at this time?

**MR. ALLEN:** The issue with the Northern

Mississippi wage area, which used to be called the Columbus-Aberdeen wage area, is really not a new issue. It's one that has drawn OPM's attention for at least as long as I have been at OPM, and prior to that we received annual letters from senators and representatives representing the employees of the lakes, and they have basically said the same thing that Representative Childers said, which is questioning why employees at the lakes are paid from different wage schedules.

What I would recommend is that we try and wrap that discussion up within the working group discussion, because it is more or less a question of the underlying philosophy of the prevailing rate system.

There are always going to be gray areas that are difficult to explain to employees, and I think the case would be the four lakes is one of those gray areas, but I think it is something that is best addressed in a working group setting rather than trying to attempt to do a re-analysis of what was a consensus recommendation from this committee a few months ago.

Basically, what I am saying is we need to look at

the underlying rule rather than just trying to focus on four lakes.

**MS. SIMON:** What was the consensus recommendation of three months ago having to do with this?

**MR. ALLEN:** It was to move one county containing one lake --

**MS. SIMON:** Oh, right, okay.

**MR. ALLEN:** -- from the Northern Mississippi wage area.

**MS. SIMON:** But it didn't deal with two other counties.

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

**CHAIRMAN FRIEDMAN:** I hear what you are saying and it makes good sense to me. I just wouldn't want the specific issue to get lost. We have got a lot of ground to cover in the work group. I do think it has been a long time since this specific a practice for these reservoir employees, it has been --

**MR. ALLEN:** The reason I suggest that is that there are a couple of things that have been raised in the past at the committee, in the recent past, the first being

the number of employees within a local wage area, whether it makes sense to continue having very small wage areas.

Another is where do you actually best determine local market rates. In the case of the Northern Mississippi wage area, one of the lakes is actually in a survey county, and the reason that the management members did not recommend that that county and the one adjacent to it be part of the Memphis wage area was because it makes the most sense under OPM's regulatory criteria to pay employees under a prevailing rate system according to where the main private sector competitors are, and because we do a survey in a county that is containing one of the lakes, it made the most sense to not move those two counties to another wage area, but just to leave them where they are at.

**CHAIRMAN FRIEDMAN:** Yeah, and maybe this will come up in the work group, but to me, that is the heart of the issue. We have geographic criteria and there is scope for judgment in how you apply them, but let's say for argument's sake, you apply the geographic criteria and they say county X belongs where it is, and yet, you have this administrative relationship between the places of employment of the workers

who are very close by each other, and some of them are in the next county and getting quite a different wage scale.

So, the issue in my mind is what I will call the "geographic rigidity" of the criteria. Is that a problem for us? Do we need some flexibility in cases like this to have a different way of figuring out what is appropriate for these folks? If we want to cover it in the work group, that is fine with me.

**MR. ALLEN:** I think it's a good subject for the working group to take a look at mainly because I think it's important not to focus on just one instance, but to take a broader look.

I think that really what this committee should be responsible for doing is just taking a look at the entire pay system and seeing if things really do make sense rather than trying to just narrowly focus on individual questions.

**MS. SIMON:** Well, it seems like this working group that we are about to establish is focused on survey issues, and this is not a survey issue per se, so, you know, maybe what we should do is commit to working through this first and then getting to the survey issues. Otherwise, it is



such a different issue. It could either get lost or if it's, you know, saved for last, then, it's really problematic.

Since everybody participates in all the working group meetings, you know, it is not like some of the people show up only for some working group meetings.

**MR. SAAVEDRA:** I do believe it's a survey issue because otherwise what we end up doing is, in the work group, pick up survey issues, and continue to take case-by-case cases that, for whatever reason, someone doesn't feel good about the way the survey criteria pans out for that location.

So, it is a survey issue, and unless we settle it --

**MS. SIMON:** Okay. We will say that it's a survey issue and then maybe take it up first.

**MR. SAAVEDRA:** And once we settle it's a survey issue, then, let the chips fall where they may.

**MS. SIMON:** Okay, call it a survey issue and take it up first.

**CHAIRMAN FRIEDMAN:** Okay. It seems like we have a

consensus on that way of handling this issue.

So, this brings up another item, an issue of timeliness of our recommendations. Let me address this in the following way, and I want to make sure this is not interpreted by anybody as criticism of anyone or their work or staff work here at OPM, and I am just really raising a question for the members of the committee.

Is anyone besides me troubled by the timeliness with which we are able to address some of the issues that come before us? If it's only me, then, we can scratch it right off the list, but if others are also troubled by that, then, it may be worth figuring out what, if anything, can be done about that issue.

**MS. SIMON:** We used to have --

**CHAIRMAN FRIEDMAN:** Let me just say one more thing.

**MS. SIMON:** Okay.

**CHAIRMAN FRIEDMAN:** So, a lot of delay is clearly related to lack of consensus. Some delays I understand from reading past history of the committee from way before I got here. There was just not consensus, and for whatever

reason, people didn't want to bring it to a vote, so issues never got resolved for that reason, and I understand that. But in other cases, there may be other reasons why we don't operate in a timely way sometimes.

So, with that, I welcome any thoughts people have about either whether you share my concern, or whether you think it is not an issue we should be worried about.

**MS. SIMON:** I think you just said it. I think that there are controversial issues that stay on here for a long time, because there is no consensus and they keep being reintroduced or, you know, we just don't resolve them, and, you know, we have got other issues pending. I mean I don't know if the Director has acted on the flat rate plan for the auto mechanics, has he?

**MR. ALLEN:** No.

**MS. SIMON:** Okay. So, he has got at least two things sitting on his desk that he hasn't done anything about, you know, so it is sort of an extension of our delays, anything that is controversial.

**MR. ALLEN:** I will admit that the whole process for making changes in the Federal Wage System is pretty

laborious. Part of that has to do with the fact that OPM has to make changes in almost all of our policies affecting the Federal Wage System through the regulatory process.

We have been able to streamline some of those so that we don't have to go through OMB for certain wage area redefinition changes, but I think, at least from my perspective, that the committee is able to act quickly when acting quickly is appropriate, but then there are other times when it takes a while for the members to do enough fact finding to get comfortable with an issue, and I will bring up the issue of the nonappropriated fund automotive mechanics as an example of that.

That proposal, as it was eventually passed by the committee, was not the same proposal that came before the committee a couple of years before. There was some movement which made the proposal a little bit more beneficial for existing employees, and those are the kinds of things that I think we should be striving for, which is that you shouldn't come to the committee with hard opinion about one thing or another when not all of us have all the facts at hand, and I am certainly open to listening to other opinions, but

sometimes it just takes a while for those opinions to get out and be understood about what everybody is trying to say.

**MS. SIMON:** I also think I am not as -- I haven't been around as long on this issue as Mark -- but things do seem to be moving faster these days than they were before. So, it may seem slow, but I think it's getting better.

**CHAIRMAN FRIEDMAN:** That's progress.

**MS. SIMON:** But I may be wrong, but it seems like we have cleaned up our agenda and our old business that used to be really, really long.

**MR. ALLEN:** I will note that our Chairman is doing a good job of keeping us moving.

**MS. SIMON:** Yeah.

**CHAIRMAN FRIEDMAN:** That's why I get paid the big bucks.

[Laughter.]

**MS. SIMON:** The frozen big bucks.

**CHAIRMAN FRIEDMAN:** Yeah, whatever. Well, I would appreciate it if people would let me know if there is any more on this issue of timeliness. Let me know off line or we can bring it up at a meeting, but I just wanted to

plant that seed and take people's temperature on that issue.

Well, I guess that is all that we have for today unless there is some other item of business that people need to bring up.

Is there anything else?

**MS. SIMON:** This might not be the right forum, but some of the right people are in the room, I just wanted to ask, the DoD Wage Committee meetings have to occur once a month, is that it? Mark, do you know?

**MR. PHELPS:** Next year, every two weeks.

**MS. SIMON:** Every two weeks, the new schedules have to be approved, and they can't be approved unless there is a meeting and everybody is present, and all that kind of stuff.

Can FPRAC change the rules for the approval of those schedules to allow participation by phone? Would that be within the purview of FPRAC?

**MR. ALLEN:** No, it's really --

**MS. SIMON:** Is that statutory that people have to be in the room?

**MR. ALLEN:** It is really an issue that should be

addressed to the DoD Wage Committee. The DoD Wage Committee operates separate from FPRAC.

**MS. SIMON:** Completely separately, okay.

**CHAIRMAN FRIEDMAN:** I'm just curious. Have they been unwilling to allow phone participation?

**MS. SIMON:** Well, I think that they say we are not permitted. You know, it's not like a -- nobody is trying to be uncooperative, but apparently, the discretion to allow phone participation, I mean we adopted rules that allowed phone participation for FPRAC, but the DoD Wage Committee is precluded from adopting such a rule?

**MR. EHRBAR:** Let's take a look at it.

**MS. SIMON:** Okay.

**MR. EHRBAR:** It's the first time it was brought up, to my attention anyhow. We will take a look at it.

**MS. SIMON:** Okay.

**CHAIRMAN FRIEDMAN:** Is there anything further?

[No response.]

**CHAIRMAN FRIEDMAN:** If not, a motion to adjourn would be welcome.

**MR. PHELPS:** So moved.

**CHAIRMAN FRIEDMAN:** Second?

**MR. ALLEN:** Seconded.

**CHAIRMAN FRIEDMAN:** See everybody next month, and we will be in touch about scheduling the work group.

Thank you.

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