

## FEDERAL PREVAILING RATE ADVISORY COMMITTEE

575th FPRAC

**SHELDON FRIEDMAN**, Chairperson, Presiding

Thursday, June 21, 2012

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  
**DARLENE FREEMAN**, Department of Air Force  
**MICHAEL CHASE**, Department of Veterans AffairsLabor Members**DENNIS PHELPS**, MTD  
**STEVEN FISHER**, ACT

## Staff Specialists and Visitors:

**JEROME MIKOWICZ**, Designated Federal Official,  
Office of Personnel Management  
**MADELINE GONZALEZ**, Office of Personnel Management  
**TERRI AVONDET**, Office of Personnel Management  
**MIKE EICHER**, Office of Personnel Management  
**LINDSEY O'KEEFE**, Office of Personnel Management  
**JIM BRADY**, Department of Defense  
**GARY KISTNER**, Department of Defense  
**HANK ROVAN**, Department of Defense  
**STEVE LANDIS**, ACTRecording Secretary: **FEBBIE GRAY**

[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, and welcome to this 575th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, and I am the chairman of the committee.

As we usually do, why don't we go around the room so that you may introduce yourselves. Mark, would you start, please?

MR. ALLEN: Mark Allen with OPM.

MR. SHULMAN: Seth Shulman, Department of Defense.

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

MR. CHASE: Michael Chase, VA.

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

MR. FISHER: Steve Fisher, ACT.

CHAIRMAN FRIEDMAN: Thank you.

And if the folks around the sides of the room would also introduce themselves?

MS. GONZALEZ: Madeline Gonzalez with OPM.

MR. MIKOWITCZ: Jerry Mikowicz, OPM, Designated Federal Official.

MR. BRADY: Jim Brady, Department of Defense.

MR. KISTNER: Gary Kistner, Department of Defense.

MR. ROVAN: Hank Rovon, Department of Defense.

MS. O'KEEFE: Lindsey O'Keefe, OPM.

MS. GRAY: Febbie Gray, OPM.

MR. EICHER: Mike Eicher, OPM.

MS. AVONDET: Terri Avondet, OPM.

MR. LANDIS: Steve Landis, ACT.

CHAIRMAN FRIEDMAN: Okay. Thank you.

I just want to recognize Febbie. This is her last meeting with us. We will miss her. But I understand, Febbie, that we'll be taken care of in your absence, right?

MS. GRAY: Yes.

CHAIRMAN FRIEDMAN: Good luck to you in your new endeavor.

MS. GRAY: Thank you.

CHAIRMAN FRIEDMAN: Somewhere else in our building, I think.

MS. GRAY: Yes.

[Laughter.]

CHAIRMAN FRIEDMAN: I know we have a rather lightly attended meeting today, but I guess let's just forge ahead.

There are a bunch of announcements on the agenda, and you have the documents pertaining to the announcements in your folder and should have received them electronically ahead of time. The first one is Director Berry's responses to several letters, one from Representative Runyan, one from AFGE president Gage, and the letter from the FPRAC Labor members. All of these letters pertain to the proposal to combine FWS wage areas that lie inside of GS locality pay areas. The incoming letters, I think you have from previous meetings.

The next item is the final Annual Summary for 2011 that we approved at our April meeting, and so you have the final version in your folder.

I received a memorandum from a Colonel James Ross regarding FWS workers at the New Boston Air Force Station in New Hampshire. He is concerned about the pay disparity issue between Wage Grade and General Schedule employees who work at the same location but are paid as if they are in two different locations. A response to his letter is winding its way through our system, and we'll share that once it's finally cleared.

I also received a letter from a Mr. William Hanrahan, who is Master of the USNPS Ranger III vessel. I think that the rank of Master is sort of like a Captain but I'm not sure.

MR. ALLEN: It is. The ranks of Master and Captain are similar.

CHAIRMAN FRIEDMAN: The vessel transports both passengers and cargo to and from the Isle Royale National Park in Lake Superior, and Mr. Hanrahan raises an issue concerning the members of his crew, who are FWS employees. Madeline is researching that issue. Presumably, it will wind its way to us at some point.

MR. ALLEN: Mr. Chairman, it's possible that this may not actually be an issue for the committee's attention.

The Department of the Interior Headquarters staff is currently working with the National Park Service staff to figure out what the best pay approach is for the crew of the vessel.

The current pay system approach for the vessel is that it's a set-aside wage schedule. It's not been part of the Federal Wage System since the Federal Wage System was created, but the set-aside wage schedule was allowed to continue, and the rates on the wage schedule are making it difficult to recruit and retain sufficient personnel to staff the vessel in a manner that Master Hanrahan believes is safe. So we will keep the Committee informed about what's going on with this, but it's possible that it might be resolved without OPM's or the

Committee's need for further involvement.

CHAIRMAN FRIEDMAN: Okay. Please let me know the end result of this issue, since Master Hanrahan contacted me for help.

Next item, under 575-OC-5, we got a large batch of letters from FWS workers at Tobyhanna, I think in the vicinity of 400 letters. We are working out the logistics of how to share those with the members of the Committee. It appears that the easiest and best way to do that is to scan them and put them on a CD. We thought we'd have them by today, but it looks like it will be our next meeting, perhaps, before we will be able to share them.

Continuing on to the next item, under 575-ACT-1, the folks at ACT have beaten Amazon.com to the punch and put our working group report on their Web page, so we have that to report.

Terry Garnett sent us a letter with the link, which I have shared with you, if anybody is interested in an electronic copy of that working group report.

Now, I would like to call on Jerry to see if there is any update on the draft proposed regulation to consolidate FWS wage areas.



MR. MIKOWICZ: I would like to report that the proposed regulations have cleared through the OPM program offices that ordinarily clear regulations, and they now reside with the Director of OPM.

I had an occasion to speak with the Director Tuesday afternoon along with his Deputy Chief of Staff, Justin Johnson, and they acknowledged and confirmed that the proposed regulations are in fact with the Office of the Director and had no further comment.

CHAIRMAN FRIEDMAN: Thank you.

I guess just two other quick announcements, while I've got this captive audience. The Government Accountability Office is working on a report on Federal pay comparability, which I believe will be released to the public very soon, if it hasn't already. It may be of some interest to this audience.

MR. MIKOWICZ: It has not yet been released, but --

CHAIRMAN FRIEDMAN: It is anticipated soon.

And so people will probably hear about it when it comes out, but I just want to give folks a heads-up. It is something that was requested by Representative Issa, I believe, last March or thereabouts.

And I just want to report briefly that I attended,

just in the audience, an event that was sponsored by the Partnership for Public Service on June 13th, a Federal pay debate, which featured several of the folks who have done pay comparability studies, Federal, non-Federal, this fellow Andrew Biggs from American Enterprise Institute, somebody representing the CBO, and also Rex Facer, a member of the Federal Salary Council.

And I felt badly for Rex. I thought he did a pretty good job in actual fact, but I think his remarks were rather badly distorted in the Federal Times.

It was an interesting session, and people who want to learn more about this whole sort of debate and controversy might be interested in taking a look at the Web link or I believe they videotaped the event.

There was not much of an opportunity to rebut the positions of the AEI fellow or even respond adequately to the CBO, but it was an interesting event. People might find it of some use to take a look at that.

So, anyway, enough of that. That brings us up to the minutes of our April meeting. Have people had a chance to review them, and are there any further corrections or changes?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. Unless there's some objection, we will adopt those minutes.

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing none, the minutes are adopted.

That brings up old business items, of which we have five.

I believe we had decided that all these items would be discussed in the working group, unless there's some comments here that people want to make about any of them. It might also be useful to have guidance about priority, the order in which we address them in the working group, if anyone has thoughts about that, and if not, we will just move on to new business.

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. Under new business, we have two issues, both of which involve the regulation that MSAs should not be split between Federal Wage System wage areas except in very unusual circumstances. If we can address them by consensus in here, that is great. If not, my suggestion would be to refer them to the working group, because there's a similar issue already there, and the general question of what to do about this long-standing regulation is something that is on

the table in the working group.

So if I could ask Mark to first summarize for us Item A. under New Business, Definition of Hickory-Lenoir-Morganton, North Carolina, MSA 575-MGT-1.

MR. ALLEN: Okay. I would agree that it might not be necessary or advisable to move forward on these two new agenda items at the Committee meeting today, since we already are going to be considering the usefulness of the regulatory criterion for MSAs as they apply to areas of application, but if everybody wants to move forward with these today at this Committee, that's fine. But I would also note we don't have a quorum.

CHAIRMAN FRIEDMAN: So we couldn't actually adopt these?

MR. ALLEN: No.

CHAIRMAN FRIEDMAN: Is that under our rules?

MR. FISHER: We don't have enough labor here, I think.

CHAIRMAN FRIEDMAN: So in view of that --

MR. ALLEN: I can introduce them, anyways, just quickly.

CHAIRMAN FRIEDMAN: Well, okay.

MR. ALLEN: It's just a matter of reading.

[Laughter.]

MR. ALLEN: I try not to be pedantic.

Under 575-MGT-1, the Management members recommend that Alexander and Catawba Counties be redefined to the Asheville wage area's area of application.

Alexander, Burke, Caldwell, and Catawba Counties, North Carolina, comprise the Hickory-Lenoir-Morganton, North Carolina, MSA, and that MSA is currently split between Asheville, North Carolina, and Charlotte, North Carolina, wage areas. Under OPM's regulatory criterion, unless there's some exceptional reason for having the MSA split, all the counties should be combined under one wage area.

Under 575-MGT-2, we have a Management recommendation to move Mercer County to the Cleveland wage area's area of application. Trumbull and Mahoning Counties, Ohio, and Mercer County, Pennsylvania, comprise the Youngstown-Warren-Boardman, Ohio-Pennsylvania MSA. The Youngstown-Warren-Boardman, Ohio-Pennsylvania MSA is split between the Cleveland, OH, and Pittsburgh, PA, wage areas. And again, as with the previous case, that entire MSA under OPM's regulatory criterion currently should be combined under just one wage area.

CHAIRMAN FRIEDMAN: Okay. Well, I guess we will just defer any further action on those, since we don't really have a

quorum.

The other new business item is something that AFGE has proposed, which is to review the Federal Wage System Appropriated and Nonappropriated Fund Operating Manuals, which I think is an interesting and in many ways good idea, but since the AFGE members are not here, we probably ought to just kick that can down the road too.

MR. ALLEN: I had a brief conversation with Jacque a couple of weeks ago about some questions that she received that were not covered in the Appropriated Fund Operating Manual or were insufficiently covered, but I haven't heard what the exact proposals would be for adding something to the Operating Manuals or whether it might be more appropriate to add something to regulation. Regulation tends to be more permanent, because of the Administrative Procedures Act public comment period.

So once we do have something before us, you can take a look at it and see what the appropriate way of handling would be, with the Committee's advice.

CHAIRMAN FRIEDMAN: Okay. So we will address that next time.

Unless there is any further -- yes, sir?

MR. SHULMAN: I just wanted to make note of a new

member of the wage staff, appropriated fund side. Mr. Gary Kistner, who introduced himself up front, has taken over for Karl Fendt in his analyst role. He was on the NAF side of the house until a couple weeks ago.

MR. ALLEN: Another turncoat.

[Laughter.]

MR. KISTNER: Good morning, everyone.

MR. SHULMAN: This is his first and certainly not his last FPRAC meeting, so I want everyone to know who he is.

CHAIRMAN FRIEDMAN: Welcome. Thank you for joining us.

MR. KISTNER: Thank you.

MR. CHASE: This is my first meeting as well. Ann Marie Hannon was the VA representative. She had an advancement opportunity at the Department of Homeland Security, which she took advantage of, and she started there this week. So I'll be representing VA from here. I am the Human Resources Management Policy and Planning person for Veterans Affairs.

CHAIRMAN FRIEDMAN: And welcome to you as well. Thank you for joining us. We appreciate that.

Well, unless there's some objection -- well, is there any other new business? Are there any other items people want

to bring up? If not, we can begin our working group meeting in 10 minutes in the Small Pendleton Room. Is there a motion to adjourn?

MR. PHELPS: Motion to adjourn.

MR. SHULMAN: Motion seconded.

CHAIRMAN FRIEDMAN: Hearing no objection, we are adjourned.

[Whereupon, the 575th FPRAC meeting was adjourned.]

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