

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

579th FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, October 18, 2012

ROOM 7H31
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Seth Shulman, DoD
Lamar Williams, Department of Navy
Tammy Vankeuren, Department of Air ForceLabor Members:Bill Fenaughty, MTD
Jacque Simon, AFGE
Sarah Suszczyk, NAGE (via telephone)
Steve Landis, ACT**Staff Specialists and Visitors:**Jerry Mikowicz, Designated Federal Official, OPM
Madeline Gonzalez, OPM
Mike Eicher, OPM
Terri Avondet, OPM
Robbins Byrne, OPM
Lindsey O'Keefe, OPM
Nate Somers, OPM-CLA
Jim Brady, DoD
Hank Rovin, DoD
Karl Fendt, DoD
Melissa Arroyo, Department of Navy**Recording Secretaries:** Mike Eicher and Terri Avondet

[Transcript prepared from digital audio produced by FPRAC.]

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P R O C E E D I N G

CHAIRMAN FRIEDMAN: Good morning, everyone. Welcome to this, our 579th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee, and as usual, why don't we introduce ourselves, starting today with you, Mark.

MR. ALLEN: Mark Allen with OPM.

MR. SHULMAN: Seth Shulman, Department of Defense.

MS. VANKEUREN: Tammy Vankeuren, Air Force.

MR. WILLIAMS: Lamar Williams, Department of the Navy.

MR. LANDIS: Steve Landis, ACT.

MS. SIMON: Jacque Simon, AFGE.

MR. FENAUGHTY: Bill Fenaughty, MTD, NAFE.

CHAIRMAN FRIEDMAN: Sarah?

MS. SUSZCZYK: Sarah Suszczyk for NAGE.

CHAIRMAN FRIEDMAN: And folks around the sides of the room, if they also could introduce themselves, please?

MR. FENDT: Karl Fendt, DoD Wage.

MS. ARROYO: Melissa Arroyo, Navy.

MR. BRADY: Jim Brady, DoD.

MR. ROVAN: Hank Rován, DoD.

MR. MIKOWICZ: Jerry Mikowicz, OPM.

MR. EICHER: Mike Eicher, OPM.

MS. GONZALEZ: Madeline Gonzalez, OPM.

MS. AVONDET: Terri Avondet, OPM.

MR. SOMERS: Nate Somers, Air Force legislative fellow assigned to OPM.

CHAIRMAN FRIEDMAN: Okay. Thank you all.

One announcement that is not actually on our agenda, I think everybody knows by now we're about to have an earthquake drill at 10:18 a.m. We have special dispensation to continue our meeting and stay here in this room. Hopefully, there won't be too much commotion. I have no idea what it's going to be like in terms of the noise level. We'll just have to see.

MR. ALLEN: I think we should not get under the table at this event, because we're likely to do more harm to ourselves, and we should just stay in our chairs.

CHAIRMAN FRIEDMAN: Yeah, probably not.

So I hope everyone likes our cozy, new, hopefully temporary quarters.

I have two other quick announcements. I circulated an article written by Representative Runyan in New Jersey in the online newspaper up there in Toms River concerning the issue of pay disparity at the Joint Base McGuire-Dix-Lakehurst.

I also circulated a letter I received from Mr. Dave Dauman, President of AFGE Local 3495, concerning complaints he had about the wage survey in the Madison, Wisconsin, wage area. I'll be responding to him, so I'm asking for some help and input from all of you. I did have a conversation with Jim Brady about it, and I will, of course, share my reply with everyone. I would welcome any input people wish to have to that reply.

That brings up the review of the minutes of our last meeting. I would say from my standpoint, the transcript wasn't quite up to snuff, and I don't know if it was the use of the experimental recorder or what, but this is what we're going to have to be working with for the next few months. Did anybody have any other corrections to the transcript from the last meeting?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, is there any objection to adopting the transcript from the last meeting?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing no objection, that transcript is adopted.

That brings up Old Business. Let me start with the leftover item 577-MGT-1, Definition of Rochester, Minnesota,

MSA.

Mark, was there concurrence on that on from the absent Management members?

MR. ALLEN: Yes. Yes, we have concurrence on that.

CHAIRMAN FRIEDMAN: So that has been adopted. Thank you.

Is there anything on items (a) through (h) under Old Business that anyone would like to bring up this morning? Most of those are in our work group.

MS. SIMON: I was going to say we're dealing with them in the work group.

CHAIRMAN FRIEDMAN: Most of them, yeah.

If not, I'd like to revisit at least briefly (i) and (j).

Nothing on (a) through (h)?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. So last time we began to take up the review of the Augusta and Portland, Maine, FWS wage areas, 578-MGT-1. Mark, you indicated that more analysis would be forthcoming pursuant to requests from the Labor side, county by county within the Portland wage area and by MSA to see what result application of the regulatory criteria would point to.

Is there anything new to report on that this morning?

MR. ALLEN: We don't have our further analysis developed to share with the committee this morning. We should have it ready for the next meeting.

What we've basically decided to do is provide supplemental information to 578-MGT-1. In the document that's currently before the Committee, 578-MGT-1, we had not included an analysis of the Augusta and Portland, Maine, wage areas, by looking at the Portsmouth, New Hampshire, wage area, because we had an FPRAC recommendation earlier this year that would result in combining the Portsmouth wage area with the Boston wage area. So what we are going to do is look at the Portland wage area and do the standard regulatory analysis for the Portland wage area. It is still a wage area that has to be abolished, and we are going to look at it in regards to the regulatory criteria also by doing an analysis of the criteria as if the Portsmouth, New Hampshire, wage area would continue to be a separate wage area.

So there are only really two choices. One choice would be whether it goes to Augusta, Maine, and the other choice would be whether it goes to Portsmouth.

CHAIRMAN FRIEDMAN: Mm-hmm. So I guess unless there's any further question or discussion or comment on that one, we'll

just defer it until the next meeting.

Is there anything further today on that one?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. We'll defer it.

We have a latecomer visitor coming in. If you would just announce yourself to the recorder.

MR. BYRNE: My name is Robbins Byrne. I'm with the Pay Systems Group, OPM.

CHAIRMAN FRIEDMAN: Okay, thank you.

That brings up item (j) under Old Business, the application of the changes in the North American Industry Classification System (NAICS) to the surveyable industries in the Federal Wage System surveys, a challenging item. I have enjoyed reading it. I hope you all did too.

Is there any discussion now about that one? Can we possibly reach consensus around that one today? Who would like to start?

Do you want to maybe start by reviewing that again, Mark, briefly?

MR. ALLEN: I'll give just a very brief summary.

This is a standard practice that OPM goes through every few years. We used to do this once a decade when we were

using the Standard Industrial Classification manual for determining which industries would be included in Federal Wage System wage surveys.

When OMB switched over to the North American Industry Classification System, they started doing updates more routinely. It seems like they're on a 5-year plan for doing these.

Basically, the position we've adopted over the years is to -- when an Industry Code changes, we want to, as best we can, maintain the status quo for the types of industries that are surveyed under Federal Wage System surveys. This is basically a bookkeeping exercise to make sure that that policy is something that continues.

So there aren't really a whole lot of changes in this that result in any big swings in companies that are included or excluded from surveys. This is something we need to keep on top of, so that our regulations are consistent with NAICS manual codes.

CHAIRMAN FRIEDMAN: Any discussion? Any questions?

[No audible response.]

CHAIRMAN FRIEDMAN: I did have a question. I wonder how -- I'm just curious how much -- it probably would be a

pretty sizable project, but I'm just curious how much employment there is in these very small sub-industries where they've been reclassified or redefined relative to the total in the larger NAICS code, of which they're a part. This might help people see this is a really small set of changes, which I assume it is.

MR. ALLEN: This type of information would have to come from the technical staff from DoD. They may or may not have a database available that would provide that type of information, but it would be on a nationwide basis.

CHAIRMAN FRIEDMAN: Right.

MR. ALLEN: And I'm not sure that they have that much information to tailor the surveys for a survey area. So we'd have to look at 132 appropriated fund wage areas and 120-some NAF wage areas to do that analysis.

So you're correct, Mr. Chairman. It's a lot of work to do that.

[Laughter.]

MR. SHULMAN: Yes. And I don't think that they'll appreciate it if I pony it up, pony [inaudible].

CHAIRMAN FRIEDMAN: Well, then is there any discussion, any questions on the Labor side about this?

[No audible response.]

CHAIRMAN FRIEDMAN: So can --

MS. SIMON: Can --

CHAIRMAN FRIEDMAN: Go ahead.

MS. SIMON: No. Finish, because I'm going to bring up a new thing.

CHAIRMAN FRIEDMAN: Is there consensus to adopt these numerous small changes to definitions of the surveyable industries?

MS. SIMON: Sure.

CHAIRMAN FRIEDMAN: Okay. So we have adopted 578-MGT-2. Thank you.

Well --

MS. SIMON: I know you asked before, and I didn't say anything, but I can't recall item (c) on the list being on our agenda for the workgroup.

CHAIRMAN FRIEDMAN: It's there.

MS. SIMON: It is?

CHAIRMAN FRIEDMAN: Yeah.

MS. SIMON: We just haven't gotten to it?

CHAIRMAN FRIEDMAN: Yeah.

MS. SIMON: Okay. I just can't remember having discussed it yet.

CHAIRMAN FRIEDMAN: We have it in there,

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: We kicked it to the Work Group.

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: That doesn't mean we can't discuss it in here.

MS. SIMON: I get a monthly phone call on this, on that subject.

CHAIRMAN FRIEDMAN: Okay. Well, we can discuss it in here now if you want, or we can bring it up in the work group, whatever you prefer.

MS. SIMON: I guess we can bring it up in the work group.

CHAIRMAN FRIEDMAN: Do you want to say something about it, Seth?

MR. SHULMAN: I would only observe that since the specific issue is unique to the Army Corps of Engineers, essentially, I would request that we have a discussion when we can have someone from Army in the room, even if they're not sitting at the table, at least a subject-matter expert from the Army on this.

MS. SIMON: That would be very helpful.

MR. SHULMAN: And if we want to discuss it at the next meeting, I can make those arrangements with Army.

MS. SIMON: Actually, I'm not going to be here.

MR. SHULMAN: All right. Whatever --

MS. SIMON: Nobody from AFGE --

MR. SHULMAN: Whatever next meeting, I mean whenever -
- if it's December, that's fine too.

MS. SIMON: Okay.

MR. SHULMAN: I'll just talk to the Corps, and we can make sure it happens.

CHAIRMAN FRIEDMAN: Okay. Maybe we can get them to come to a work group meeting when we have it on the agenda for the work group. We'll talk about that a little later.

MR. SHULMAN: That's fine. Thank you.

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: That would be very helpful.

Well, is there any other -- so we actually have no New Business items for today, unless there's something that people want to bring up now.

[No audible response.]

CHAIRMAN FRIEDMAN: Well, a motion to adjourn is always in order.

MS. SIMON: I move that we adjourn.

MR. SHULMAN: Move seconded.

MS. SIMON: I guess we're all mumbling in here because we're so close together. We don't think we have to talk loudly. I hope the recording gets it.

CHAIRMAN FRIEDMAN: Yeah, we'll find out. MR.

SHULMAN: One last item for the record.

Yes, you knew I was going to do this.

This is Tammy Vankeuren's last meeting as the Air Force representative to FPRAC. Tammy is taking on a new challenge with my friends at the Department of Navy and will potentially be aware of the stuff that goes on in this committee but not necessarily representing the Department. So we wanted to wish her a fond farewell and thanks for her service --

MS. VANKEUREN: Thank you very much.

MR. SHULMAN: -- for the Air Force, and we'll leave the floor open to you if you wanted to say anything.

MS. VANKEUREN: Thank you very much.

I'll start on Monday as the Staff Director for Ms. Patricia Adams, so looking forward to the new challenge.

CHAIRMAN FRIEDMAN: Well, congratulations.

MS. VANKEUREN: Thank you very much.

CHAIRMAN FRIEDMAN: We are sorry to lose you from FPRAC, but good luck to you in your new position.

MS. VANKEUREN: Thank you.

MR. WILLIAMS: Welcome aboard.

MS. VANKEUREN: Thank you.

[Laughter.]

MR. SHULMAN: Anchors aweigh.

CHAIRMAN FRIEDMAN: So -- hearing no objection to the earlier motion, we are adjourned.

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