

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

587th FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, September 19, 2013

Room 5526
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Steven Rumble, DoD
Bob Kerr, Air Force
Pamela Sokol, Army (via telephone)Labor Members:Dennis Phelps, MTD
Jacque Simon, AFGE
Robert Shore, NAGE
Steven Landis, ACT**Staff Specialists and Visitors:**Brenda Roberts, Designated Federal Officer, OPM
Madeline Gonzalez, OPM
Jennifer Dorsey, OPM
Chris Hammond, OPM
Jim Brady, DoD
Becky Chaves, DoD
Karl Fendt, DoD
Deborah Blake, DOI
Kermit Howard, DOI
Emily Parkhurst, DOI**Recording Secretaries:** Mike Eicher and Terri Wallace

[Transcript prepared from digital audio produced by FPRAC.]

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P R O C E E D I N G

CHAIRMAN FRIEDMAN: Thank you, and good morning, everyone. Welcome to this, our 587th meeting of the Federal Prevailing Rate Advisory Committee.

Before we get started, I would like to ask that we observe a moment of silence in memory of the victims of the tragic shooting at the Washington Navy Yard earlier this week.

[Moment of silence.]

CHAIRMAN FRIEDMAN: Okay. Thank you, everyone.

As we usually do, why don't we go around the room and introduce ourselves? Today, I'll start with you, Mark.

MR. ALLEN: Mark Allen with OPM.

MR. RUMBLE: Steve Rumble, Department of Defense.

MR. KERR: Bob Kerr, Air Force.

MS. SOKOL: Pamela Sokol, Army.

MR. PHELPS: Dennis Phelps, Metal Trades Department.

MS. SIMON: Jacque Simon, AFGE.

MR. SHORE: Robert Shore, NAGE.

MR. LANDIS: Steven Landis, ACT.

CHAIRMAN FRIEDMAN: I forgot to introduce myself.

Sheldon Friedman, Chair of FPRAC.

Folks around the edge of the room, please introduce yourselves.

MS. GONZALEZ: Madeline Gonzalez with OPM.

MS. ROBERTS: Brenda Roberts, OPM and the Designated Federal Officer.

MR. BRADY: Jim Brady, DoD.

MS. CHAVES: Becky Chaves, DoD.

MR. HAMMOND: Chris Hammond, OPM.

MR. EICHER: Mike Eicher, OPM.

MS. WALLACE: Terri Wallace, OPM.

MS. DORSEY: Jennifer Dorsey, OPM.

MR. HOWARD: Kermit Howard, Department of the Interior.

MS. BLAKE: Deborah Blake, Department of the Interior, National Park Service.

MS. PARKHURST: Emily Parkhurst, Department of the Interior, Office of Solicitor.

CHAIRMAN FRIEDMAN: Thank you. Just a quick announcement or two. Our FPRAC colleague, Bill Fenaughty, has had some heart surgery, and I took the liberty of getting him a get-well card, which I'll pass around. I understand he's recovering and hopefully will be back before too long.

I'll start it with you, and if people could get it back to me, I'd appreciate it.

Another announcement. Some bad news and some good news. We were asked a while back by one of the members of the Committee to update our book of maps that show the FWS wage areas, and this is an excellent idea, so we are proceeding to do that. The bad news is that the old software that was being used for mapping, it's so out of date, it's no longer being provided technical support. The good news is we are getting some new software.

Do we have it in hand, or are we still awaiting it? Anybody know the answer?

MS. GONZALEZ: We are waiting for the Help Desk to install it.

CHAIRMAN FRIEDMAN: So what I would like to ask the members of the Committee is if they have suggestions about changes in format or changes in information that the maps would convey, without any guarantee we can address those suggestions, please let us know. It would be very helpful to have those ideas, and a good way to submit those would be just to take an old map and mark it up and say do it this way or do it that way. We can get them in to Madeline.

MS. GONZALEZ: As soon as possible will be helpful.

CHAIRMAN FRIEDMAN: We will send an e-mail as a reminder for people to do that, but please convey your thoughts.

MR. ALLEN: I would just make an observation. With the maps we have currently been using and using in the past, they have a lot of information on them, and so for a layperson, somebody not associated with the Committee, it would be difficult for somebody to understand just looking at the map what we're trying to convey on it. It's got wage area boundaries, survey areas, and areas of application. This is just something to think about.

CHAIRMAN FRIEDMAN: Okay. So we would like to announce to the Committee that our colleague Mark has a new job title. Tell us what it is, Mark.

MR. ALLEN: Acting Deputy Associate Director for Pay and Leave in Employee Services, and I will be Acting through the end of this calendar year.

CHAIRMAN FRIEDMAN: Okay. Any other announcements people have?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, we will move on to review of the transcript of our last meeting. Does anybody have

corrections or changes beyond those that we have already heard from you about?

[No audible response.]

CHAIRMAN FRIEDMAN: I don't hear anybody coming forward on that. So unless there's some objection, I assume the transcript is adopted. Hearing no objection, it's adopted. Thank you.

That brings up Old Business, and we have quite a bit of it on our plate, and one of the things we talked about doing is wanting to work our way through that.

I want to start with the last item, which is the issue of the Department of the Interior's Special Vessel Schedule, and ask Mark if there's any update or anything new to report on that since our last meeting.

MR. ALLEN: I asked staff to take a look at what some of the options might be. There are a number of options that were apparently considered way back in 1969 when the Federal Wage System was being set up as an administrative pay system. Some of those were rejected, so what we've ended up with is a set-aside schedule, and unfortunately, none of the options really seem to be ideal. So I think we are placed in a position to figure out what the best option of five or so is. I will

just go through what I think the options are, and I am perfectly open to hearing what any of the other members of the Committee think other options are. I think what I have is fairly comprehensive.

Option number one, in no particular order.

We don't have a Management proposal on this at the moment, so this is just laying out what I think the options are.

The default under the Federal Wage System is to pay FWS employees from the regular wage schedule where they work. The crew of the vessel *Ranger III* are kind of by default paid rates from the regular wage schedule for the Northwestern Michigan wage area. So option one would be don't change anything. That presents an obvious problem because the regular rates don't anymore provide for adequate recruitment and retention of crewmembers of the vessel. And Captain Hanrahan came, and he gave pretty convincing evidence that's true.

The second option would be to continue the set-aside schedule pay practice using rates from the Northwestern Michigan wage schedule, but add steps to the rates that the crew are currently paid. I think they are currently paid from a single rate, Step 3, and having five steps would provide room for growth for the crew. They would still be in alignment with

prevailing rates in their local wage area under the regular Federal Wage System, but they would be more equalized with how the rest of the pay system works.

Option three -- and this is what the Department of the Interior sent over to us in their memorandum -- is to continue the pay practices of the set-aside pay schedule, but base the rates of pay on the Detroit, Michigan, floating plant wage schedule, using the five-step structure.

In my mind, that does present some problems because they are looking to a wage area that's outside of the Northwestern Michigan wage area. Captain Hanrahan has indicated that the rationale behind aligning with the Detroit wage schedule just to match the rates up to another Department of the Interior vessel isn't really an apples-to-apples kind of thing because the two vessels are so dissimilar.

On the *Ranger III*, I think we have to recognize it as a unique operation, and that's one of the things that presents a difficulty for figuring out what the appropriate pay schedule to use is.

Next option. And I think that Captain Hanrahan had mentioned this and brought this to our attention. Continue as a set-aside, special schedule, but base the rates of pay on the

hopper dredge wage schedule. There are currently two wage schedules for hopper dredge employees. One is for the Atlantic and Gulf Coasts, and the other is for the West Coast.

We did check with the Army Corps of Engineers and found that there are actually no hopper dredge vessels currently operating in the Great Lakes, but one thing in the plus column for using this option is that the rates of pay are based on maritime rates of pay, so there's a direct correlation between what the crewmembers of hopper dredge vessels are paid and what is going on in the maritime sector of the economy.

Option five, pay the *Ranger III* crew prevailing maritime rates under 5 USC 5348, and the big problem with that one is that the Department of the Interior has already found that there's inadequate maritime practice in the local area to match up exactly what the crew of the *Ranger III* are doing in terms of operating the type of vessel they have and what other vessels are operating in the area.

And that's all I've got for now.

CHAIRMAN FRIEDMAN: Before I open it to discussion, what do you plan to do with that, Mark? Is that going to be written up and distributed to the Committee?

MR. ALLEN: No, I don't have anything written for

distribution to the Committee. It's just options that we've identified, and I just wanted to open it up for the Committee members to see if they have any other ideas.

MR. PHELPS: I just wonder why there would be a problem with tying it to the prevailing maritime rates. You know, when we have Wage Committee meetings and stuff that we have, if there's not sufficient data for the area being surveyed, you know, they go outside that area to another area where they do have that data for, you know, the airplane mechanics and those types of things.

MR. ALLEN: Yeah. That would be kind of a Monroney Amendment concept?

MR. PHELPS: Right. Yeah. Right.

MR. ALLEN: Under the Monroney Amendment, there would be a limited amount of data that would be imported to the local wage area to establish an adequate -- a more adequate wage schedule, but it's still relying on the local data for the bulk of the wage schedule, rates to be calculated.

In a manner of speaking, the concept of using a hopper dredge schedule is fairly similar to I think what you're thinking, which is if there aren't adequate data to set a schedule that's capable of recruiting and retaining employees,

then what else is available? And I think the next best thing, although it's not ideal, might be the hopper dredge schedule.

MS. SIMON: Or the Detroit.

MR. ALLEN: The Detroit schedule, Captain Hanrahan has said is not appropriate because --

MS. SIMON: It doesn't have anything from the same industry?

MR. ALLEN: It's actually the regular wage schedule that applies to the crewmembers of floating plants, and in Captain Hanrahan's opinion, there is too much of a difference between his vessel and floating plant vessels.

CHAIRMAN FRIEDMAN: Well, I think we have some work to do on this.

I would like to ask our visitors from the Department of the Interior, since you are here today, if there is anything you would like to contribute before we deliberate further on this issue.

MR. HOWARD: We don't have anything to contribute at this time. If OPM requires more dialogue with us, we are open to discussion as far as assisting with coming up with a solution. So we're just interested in hearing the options and working from that standpoint.

CHAIRMAN FRIEDMAN: I think one question in my mind is to understand better how DOI determined there wasn't adequate comparison to be made with the maritime industry. That option 5, which Mark laid out, which apparently was considered but not adopted by DOI, it would be helpful to understand it a little better, at least for me, anyway, the reasoning behind that.

MR. ALLEN: There would be a long history behind that because there was a decision that had to have been made when the maritime provision was initially put in place that it would not apply to the crew of the *Ranger III*. This goes back decades. So there would have to be a new determination that there was now comparable maritime industry in the local area to set pay under 5348, even though there's been decades of practice of not doing that. But I would have to leave it to the Department of the Interior to respond to that question.

CHAIRMAN FRIEDMAN: Okay. Unless there's something further on this, I do hope we address this matter quickly.

MS. SIMON: Is there some reason why that list you just read can't be distributed to us? I think it would be helpful to have. I thought you were reading from something. Even if it's not a fully developed Management proposal, a written list would be helpful to really see.

MR. ALLEN: Sure. I can just get a brief summary out to everybody.

MS. SIMON: Okay, thank you.

MR. ALLEN: Okay.

CHAIRMAN FRIEDMAN: Is it reasonable for us to set some sort of timeline on this issue? I'd certainly like to if we can, in coming up with a recommendation. Hopefully, it will be a consensus recommendation, but it may not be. We'll have to see.

MR. ALLEN: The information we are looking for is from the Department of the Interior to respond to the Chairman's question about how the determination was made that maritime pay under 5348 could not be applicable to the crew.

MR. HOWARD: In that regard, we will have a response to you.

CHAIRMAN FRIEDMAN: Other than that, we don't need additional information? I didn't mean by asking my question to delay this.

MR. ALLEN: This has been an issue for 43 years, as Captain Hanrahan pointed out.

CHAIRMAN FRIEDMAN: Right.

MR. ALLEN: And the letter he provided to us or the

memorandum he provided to us from 1969 lays out pretty much the same concerns that we're still presented with, finding a way to deal with what is a unique situation for the Federal Wage System.

CHAIRMAN FRIEDMAN: Okay. Well, we will check in next month and see where we are on this.

Any other Old Business items people want to discuss?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, I have no New Business items that I'm aware of. Any New Business items people want to bring to our attention now?

[No audible response.]

CHAIRMAN FRIEDMAN: We do have a Work Group meeting. We will get that process restarted right after this meeting is over.

If there is no objection, we can adjourn.

MR. SHORE: Are we setting a schedule for the Department of the Interior Special Vessel as we follow up on the issue?

CHAIRMAN FRIEDMAN: I would like to, but can we set a schedule?

MR. ALLEN: I would say we should have something more

for the next meeting on October the 17th.

CHAIRMAN FRIEDMAN: Assuming we're here in a month.

MR. ALLEN: I don't see any reason for the Committee to delay.

MR. PHELPS: Will we be getting something from Interior soon? I mean, it could be distributed to us before the next meeting. I think that would be helpful, you know, so we could have a full discussion of it, either at the next meeting or at the Work Group after the next meeting, if we could get something in time from Interior to see what we're talking about.

MR. ALLEN: We would have to rely on Interior for the time table on that.

MS. PARKHURST: We could have something to OPM by sometime next week regarding the Chairman's question.

We would also like to present some more information on the difference between *Ranger III* and a dredging ship and the difference between *Ranger III* and a floating plant, because I think that should be a component in the analysis.

MR. ALLEN: Okay.

MR. PHELPS: And then they could get distributed to the rest of us when you get it?

MS. PARKHURST: Yeah.

MR. PHELPS: Okay.

CHAIRMAN FRIEDMAN: Does that satisfy --

MR. SHORE: Yeah. To me, it seems like of the five options, we're really -- I think it makes sense to send all five out, but we are really only looking at three, four, and five. One and two didn't seem to be viable options from what anybody seems to be looking at. So I think we can narrow it down and get the additional information. Then we can move forward to try to tackle the issue.

CHAIRMAN FRIEDMAN: Okay.

Anything else?

[No audible response.]

CHAIRMAN FRIEDMAN: All right. Unless there's some objection, we can adjourn.

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing no objection, we are adjourned.