

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

562nd FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, April 21, 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
DREW DAVIS, Department of Army
THURSTAN HUNTER, Department of Veterans AffairsLabor Members**DENNIS PHELPS**, Metals Trade Department
J. DAVID COX, AFGE
JACQUELINE SIMON, AFGE
SARAH SUSZCZYK, NAGE
TERRY GARNETT, ACT

Staff Specialists and Visitors:

MADELINE GONZALEZ, Office of Personnel Management
CHARLES D. GRIMES III, Office of Personnel Management
TERRI AVONDET, Office of Personnel Management
JEROME MIKOWICZ, Office of Personnel Management
CHRIS WALLACE, Office of Personnel Management
STEVE RUMBLE, Department of Defense
JIM BRADY, Department of Defense
CRAIG JERABEK, Department of Defense
HANK ROVAN, Department of Defense
DAWNA POWELL, Department of Defense
BILL DOUGAN, NFFE
WILLIAM FENAUGHTY, NFFE
DIANA WILLIAMS, Air Force
MARY AUSBURGER, Air Force
SHARISSE BROWN, Department of Veterans Affairs
ANRIKA CORBIN, Department of Veterans AffairsRecording Secretary: **VANNESSA BROWN**

[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: Welcome, everyone. Good morning. Welcome to our 562nd meeting of FPRAC. My name is Sheldon Friedman, Chairman, and why don't we go around the room and introduce ourselves, starting here.

MR. PHELPS: Dennis Phelps, representing the Metal Trades Department.

MR. COX: J. David Cox with the American Federation of Government Employees.

MS. SIMON: Jackie Simon, AFGE.

MS. SUSZCZYK: Sarah Suszczyk, NAGE.

MR. GARNETT: Terry Garnett, ACT.

MR. ALLEN: Mark Allen with OPM.

MR. EHRBAR: John Ehrbar, Department of Defense.

MR. SAAVEDRA: Carlos Saavedra, Department of the Navy.

MR. DAVIS: Drew Davis, Department of Army.

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

MR. GRIMES: Chuck Grimes, OPM.

CHAIRMAN FRIEDMAN: Please continue over here.

MS. AVONDET: Terri Avondet, OPM.

MS. GONZALEZ: Madeline Gonzalez with OPM.

MR. RUMBLE: Steve Rumble, Department of Defense.

MS. AUGSBURGER: Mary Augsburg, Air Force.

MS. WILLIAMS: Diana Williams, Air Force.

MS. POWELL: Dawna Powell, Department of Defense.

MR. BRADY: Jim Brady, Department of Defense.

MR. JERABEK: Craig Jerabek, Department of Defense.

MR. ROVAN: Hank Rov, DoD.

MR. WALLACE: Chris Wallace, OPM.

MS. BROWN: Sharisse Brown, Department of the VA.

MS. CORBIN: Anrika Corbin, Veterans Affairs.

MR. DOUGAN: Bill Dougan, National Federation of

Federal Employees.

CHAIRMAN FRIEDMAN: Jerry, we're not going to let you get away without you saying --

MR. MIKOWICZ: Jerry Mikowicz, OPM.

CHAIRMAN FRIEDMAN: Okay. A couple of --

MS. BROWN: Vanessa Brown, OPM.

CHAIRMAN FRIEDMAN: Thank you, Vanessa.

A couple of announcements. I put in people's packages a copy of a presentation that I made at the Association of

Civilian Technicians meeting, thinking that it might be of interest to the Committee. They kindly invited me. I also would welcome any feedback that members may have on the content.

Also a couple of newspaper articles on a hot issue. The newspaper articles relate to Tobyhanna Army Depot in Pennsylvania.

Have people had a chance to review the minutes from our last meeting? I believe they were sent to you. Are there any corrections to those minutes?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, can we accept them by unanimous consent? Okay, very good.

That brings up two items of old business. I believe we have decided to address both of them in our work group that's going to be meeting shortly after the conclusion of this session.

So, with your permission, we'll hold off on those, unless there's any discussion that's needed now about either of them now.

That brings up new business. The first item, I'm very happy to report, we finally have something on the pay practice for lock and dam employees of the Army Corps of Engineers. It

was developed pursuant to a request from then-Representative Boozman sometime ago.

Mark, would you please summarize the Management position?

MR. ALLEN: Yes. Document 562-MGT-1 is a review of the special wage schedule pay practice for Federal Wage System lock and dam employees established under the Code of Federal Regulations. It's a practice that dates back in its current form to the mid 1970s, and I don't think this committee has taken a close look at the number of employees affected by the lock and dam schedule, where they're located, and what impact that has on the wage rates since the pay practice was set up back in the '70s.

So I think it is a good time just to reacquaint ourselves with what this workforce is actually like, where they're located, and the reasons why they're paid differently than they would be if a regular wage schedule were to be applied for each employee.

The Management members of the committee have taken a look at the pay practice in 5 CFR 532.269, and we found out that there are 1,673 employees who are paid from this special wage

schedule practice.

The way the special wage schedule practice works is that if there is a navigation channel that the Army Corps of Engineers is responsible for within the United States, the employees who work on any lock or dam facilities that are associated with the navigation features of usually a river are paid from the wage schedule that applies to their Army Corps of Engineers district headquarters.

The effect of this pay practice on the employees is that a little more than half are paid according to what their regular wage schedule would be anyway. The rest of the employees are paid from higher or lower lock and dam wage schedules.

The rationale for the pay practice is laid out on page 2, about halfway down. The idea behind the special wage schedule practice was that you wanted to take recognition of the fact that lock and dam installations were situated along the course of certain rivers flowing through various Army Corps of Engineers district areas, that virtually all administrative activities were performed at the district office; promotions, training, and recruitment were districtwide in nature, rather than just limited to the very local area; that there was substantial mobility of

employees between installations; that traveling repair parties working out of the district headquarters office were paid from the wage schedule that applied to the district headquarters wage schedule, and those employees were in frequent contact with lock and dam employees who were normally situated at different locations along the navigation channel. It also recognizes that lock and dam personnel have unique qualifications that don't readily transfer over to the regular wage grade workforce, and the final reason that was cited back in the '70s was to allow for greater administrative and operational efficiency.

Management members have taken a close look at the pay practices that currently exist, and our recommendation to the committee is that we leave the special pay practice in place as it's currently defined.

CHAIRMAN FRIEDMAN: Any questions or discussion?

MS. SIMON: I understand the concept of administrative efficiency as a rationale for continuation of the current policy.

Does it have to be all or nothing? There are, you know, possibly locations where there would be a rationale for an exception to the special rates. Was that possibility considered?

MR. ALLEN: I think we would have to look back to the

administrative record back in the '70s as to why decisions were made back at that time to treat everybody the same.

MS. SIMON: Yeah. Okay.

MR. PHELPS: I believe also meeting with the Army Corps a few years ago -- I don't know if they've enacted it or not, but they were having discussions about their work crews going from district to district rather than just having work crews in one district, so that would kind of put a different spin on having them paid out of the one headquarters because the traveling crews would have contact with people just in that district, so that might be something we might need to find out about, too, before we make any determination on this.

CHAIRMAN FRIEDMAN: This is obviously a complicated issue, and folks have only had this report for a few days. So I'm not suggesting we need to make any decision on it today if we're not ready to.

MR. ALLEN: I think I would view this as a starting point. We're certainly open to receiving additional information from committee members. Maybe there is something we're not aware of that we should be taking a look at.

CHAIRMAN FRIEDMAN: So what's the best way to proceed,

then?

MS. SIMON: I would like a little bit more time to absorb this, if that's all right with everybody.

CHAIRMAN FRIEDMAN: Okay. Any more questions or discussion right now on this issue?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, we can move on to the next item of new business, definition of South Bend-Mishawaka Metropolitan Statistical Area, 562-MGT-2.

Mark, would you please summarize that for us?

MR. ALLEN: Okay. In 562-MGT-2, the reason this is being brought to the committee is because OPM has a regulation that says that metropolitan statistical areas should not be split by wage area boundaries unless there is a really good reason for splitting a metropolitan statistical area.

This is another MSA that needs to be reviewed by FPRAC.

The South Bend-Mishawaka, Indiana-Michigan MSA is split between the Fort Wayne, Indiana, and Southwestern Michigan wage area, and there are two counties involved here, Cass County, Michigan, which is adjacent to the survey area for the Southwestern Michigan wage area, and St. Joseph County, Indiana,

which is not adjacent to either the Fort Wayne, Indiana, or Southwestern Michigan survey areas, but it is closer distancewise to Southwestern Michigan survey area.

In this recommendation, the Management members propose that St. Joseph County be redefined to the Southwestern Michigan Area of application. This would affect approximately 11 Federal Wage System employees, and I believe that all 11 of them would be placed on a lower wage schedule.

On page 3, we have the rationale for the recommendation based on our standard analysis of the regulatory criteria. The determining factor among the various factors that we looked at -- in this case, would be distance -- and the fact that part of the MSA is adjacent to the Southwestern Michigan survey area also plays a role in the recommendation.

We've got maps as one of the attachments, which give an idea of where St. Joseph and Cass Counties are located. It's the sort of red area in the northwestern central part of the first map.

CHAIRMAN FRIEDMAN: I'd call that orange.

MR. ALLEN: No, it's kind of like a tomato.

CHAIRMAN FRIEDMAN: Okay.

[Laughter.]

MS. SIMON: Wait a second. There's two St. Joseph. That's why it's confusing. There's two St. Joseph Counties. One of them is kind of --

CHAIRMAN FRIEDMAN: One in Indiana, one in Michigan.

MS. SIMON: -- cantaloupe color. Okay. That's why I was like what is going on here, they're already both in Southwest Michigan, but they're not. One is in Fort Wayne.

MR. ALLEN: Yeah. We're referring to the one that's in the red-orange-tomato color.

MS. SIMON: What is the difference in distance?

MR. ALLEN: It's noted in Attachment 2. It's 75 miles to Kalamazoo, Michigan, 91 miles to Fort Wayne, Indiana, and then if we were to look at the host installations, it would be 90 miles to the VA Medical Center in Battle Creek in the Southwestern Michigan survey area, and 99 miles to the Indiana Air National Guard Base, Fort Wayne, in the Fort-Wayne-Marion survey area.

MS. SIMON: That's a more or less neutral distance.

MR. ALLEN: Yeah, that's one way we could look at it.

MS. SIMON: It kind of depends on your Point A and your

Point B.

MR. ALLEN: I think at least in my mind generally, if a county is more than 60 miles away from a survey area, it's not really all that likely going to have a major impact on wage rates within the county that we're looking at.

CHAIRMAN FRIEDMAN: Any other questions or discussion?

MR. PHELPS: What other rationale is there aside from the distances you want to move it to lower the rate of the 11 employees there? I'm like Jackie over here looking at 75 miles compared to 90 miles. That's, you know, no big differences as far as location, I would think.

MR. ALLEN: I think what we're really dealing with here is a kind of strict interpretation of OPM's regulatory criteria, which says that we should not split metropolitan areas, and in some cases, in some parts of the country, that's going to have a negative impact. In other cases, it's going to have a positive impact.

What I might suggest is since we deferred a couple of other reviews, that we don't necessarily have to move quickly on this. We have a working group established and it may be a good idea for us to take another look at whether MSA criteria really

work very well within the Federal Wage System in all cases. Sometimes they might have anomalous results that don't really make a whole lot of sense.

MR. PHELPS: Sounds reasonable to me.

MR. ALLEN: So I guess we'll defer this to our work group as well.

CHAIRMAN FRIEDMAN: That brings up the next item of new business which is the review and approval of the FPRAC Annual Report for 2010. I know people have not had it for very long, but hopefully, you've had a chance to take a look at it.

Any changes you want to recommend? Any discussion of it?

MR. ALLEN: I think, Mr. Chairman, what this report does is it reflects pretty much a summary of everything that took place during calendar year 2010, without getting into too much detail on what position the Labor and Management members took on an issue, which was something we decided to do back in the mid 1990s when there was no longer a congressional requirement for having advisory committees report to the relevant committees on the Hill. So this document is more or less for the committee's records, which makes it easier for the members and those who are

interested in the committee's activities to look back and see what happened at certain times in the committee's history.

CHAIRMAN FRIEDMAN: So is there a consensus to adopt this as our annual report for last year?

ATTENDEE: [Speaking off mic.]

CHAIRMAN FRIEDMAN: Okay. It's been adopted. Thank you.

Is there any other business that needs to come before us today?

MR. ALLEN: I don't have any new business, but I would like to acknowledge for the record that this is Mr. Ehrbar's last FPRAC meeting. He's going to be retiring for the second time, and he's told me he's not coming back again.

[Laughter.]

MR. ALLEN: John made his first appearance at the committee in 1993, which was around about the first meeting I went to, and he has represented the Department of Defense at, I believe it is, 83 FPRAC meetings, and he managed to do that even while taking an eight-year break. He went on a hiatus for a while, but we're glad he came back, and we're thankful for your service over the many years that you've represented the

Department of Defense.

CHAIRMAN FRIEDMAN: Would you like to say anything?

MR. EHRBAR: 1993 was a long time ago. All of the faces were different, other than my own. I've had the good fortune to have excellent people on this side of the table and excellent people on the other side of the table. We never threw shoes at each other, sometimes went outside and talked things over.

I won't name anybody by a particular name, but I've got friends from AFGE. I've got friends from military.

I think this is a great committee, and it does good, solid work, and where we can air our differences here, I think the better off we are. I think all want the same thing, and that's the best thing for our Department and our employees -- our Departments and our employees, so thanks for the nice ride.

I am going to get in my blue BMW Z4 and head south until I find a warm beach.

[Laughter.]

CHAIRMAN FRIEDMAN: Thank you very much for your many years of service, and we hope you don't flunk retirement this time.

[Laughter.]

MR. COX: I encourage you to get out of D.C. before we make being retired against the law.

[Laughter.]

CHAIRMAN FRIEDMAN: Any other business?

[No audible response.]

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

MR. PHELPS: So moved.

MR. ALLEN: Seconded.

CHAIRMAN FRIEDMAN: And seconded. Okay. Is there any objection to that?

[No audible response.]

CHAIRMAN FRIEDMAN: We are adjourned, and in about 10 or 15 minutes, we'll reconvene in the small Pendleton Room for our working group meeting. Thank you.

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