

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

561st FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, February 17, 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
R. LAMAR WILLIAMS, Department of Navy
BARBARA WALKER, Department of ArmyLabor Members**DENNIS PHELPS**, Metals Trade Department
JACQUELINE SIMON, AFGE
EDWARD ELDER, NAGE
STEVE FISHER, 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
KEN BATES, Office of Personnel Management
STEVE RUMBLE, Department of Defense
CRAIG JERABEK, Department of Defense
HANK ROVAN, Department of Defense
BECKY CHAVES, Department of Defense
KARL FENDT, Department of Defense
Jim R. BRADY, Department of Defense
MELISSA ARROYO, Department of Navy
RANDY ERWIN, NFFE/Metal Trades DepartmentRecording Secretary: **VANNESSA BROWN**

[Transcript prepared from digital audio provided by FPRAC.]

P R O C E E D I N G S

CHAIRMAN FRIEDMAN: Welcome, everybody, to this 561st meeting of FPRAC. My name is Sheldon Friedman. I'm the Chairman, and why don't we go around and introduce ourselves, as usual.

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

MR. ELDER: Edward Elder from NAGE.

MR. FISHER: Steve Fisher from ACT.

MR. ALLEN: Mark Allen with OPM.

MR. EHRBAR: John Ehrbar, Department of Defense.

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

MS. WALKER: Barbara Walker, Department of Army.

MR. GRIMES: Chuck Grimes, OPM.

CHAIRMAN FRIEDMAN: And if the folks over here would continue with introductions, please?

MS. AVONDET: Terri Avondet, OPM.

MS. GONZALEZ: Madeline Gonzalez with OPM.

MS. ARROYO: Melissa Arroyo, Department of Navy.

MR. RUMBLE: Steve Rumble, Department of Defense.

MR. FENDT: Karl Fendt, DoD.

MR. JERABEK: Craig Jerabek, DoD.

MR. BRADY: Jim Brady, DoD.

MS. CHAVES: Becky Chaves, DoD.

MR. ROVAN: Hank Rován, DoD.

CHAIRMAN FRIEDMAN: Okay. Welcome, everyone. We may be joined by a few other members, but we'll go ahead and get started.

Is there anything new to report on the issue that Senator Boozman raised for our Committee?

MR. ALLEN: We are making progress on the study of the special pay practice for lock and dam employees and hope to have something to the Committee fairly soon.

CHAIRMAN FRIEDMAN: Okay. That would be good.

That brings up the review of the minutes of our last meeting. Are there any further changes beyond those that people have already submitted? I trust everyone has a copy.

These will be our first minutes or actually transcript that we will post on our website. I think that's a good development.

Any further changes?

[No response.]

CHAIRMAN FRIEDMAN: If not, is there a motion that we accept the transcript?

MR. PHELPS: So moved.

MR. ALLEN: Second.

CHAIRMAN FRIEDMAN: Is there any objection to accepting the transcript?

MR. PHELPS: None.

CHAIRMAN FRIEDMAN: Okay. In that case, we have accepted our minutes from our last meeting.

We can move on to old business. The review of Lee County, it's been suggested this would be a good one to incorporate into our working group conversation, so I'm going to propose that we do that. We will be having a working group meeting shortly after the conclusion of our FPRAC meeting this morning.

If there are any other suggestions that people have regarding the issues we ought to be discussing in that working group, I guess we can either have that conversation here or there or both places.

We do have the memo of ideas that I circulated at our last meeting. I'm happy to see it expanded, contracted, revised in any way people think it ought to be. If there's

nothing on that right now, why don't we also leave that for our working group conversation.

MR. PHELPS: The only thing on that shown in there, in a lot of the areas covered there, which I think is a very good place for us to start, maybe one of the things we'll want to consider discussing along with that is maybe some more training for the labor participants with that since, in some places, evidently we're not having that, and I think that a lot of it might be due to they don't understand how it works.

CHAIRMAN FRIEDMAN: I think that's an excellent suggestion, and in fact, I definitely want to address that issue.

All right. Anything else on the memo I circulated about the working group?

[No response.]

CHAIRMAN FRIEDMAN: Not for now? Okay.

MR. ALLEN: I guess we should just note for the record that we'll be meeting immediately after the FPRAC meeting today.

Is it over in the Pendleton Room?

CHAIRMAN FRIEDMAN: Yes, the small Pendleton Room.

Welcome, Jackie. Why don't you introduce yourself for the record here?

MS. SIMON: Jackie Simon, AFGE.

CHAIRMAN FRIEDMAN: Go ahead and introduce yourself, too.

MR. ERWIN: Randy Erwin with NFFE.

CHAIRMAN FRIEDMAN: Okay. Welcome, everyone.

So that brings up our first item of new business, the abolition of Cumberland, Maine, as a non-appropriated fund FWS wage area, and I believe everybody has the document 561-MGT-1.

Would you please summarize the issue for us, Mark?

MR. ALLEN: Okay. From time to time, the employment levels within a non-appropriated fund wage area drop to a level where they're below the capability for conducting a global wage survey, and that's what's happened or happening as we speak in the Cumberland, Maine, non-appropriated fund wage area.

The last count that we have showed a total of 29 employees in the wage area. It will drop probably to 19 with the closure of the base exchange in March, and Morale, Welfare, and Recreation employment will go away in May, but

there will still be a handful of employees left in the Cumberland wage area.

So what we're proposing with this is that we abolish the Cumberland wage area and combine any of the counties that would have continuing employment with the York, Maine, non-appropriated fund wage area.

It's a fairly simple decision because what we're basically doing is taking all the counties north of York County, and redefining them to the York wage area. There's a map a few pages back into the package which shows how the Cumberland wage area is currently defined, with Cumberland County as the survey area and several other counties as areas of application.

And then the third map is the proposed new York, Maine, wage area, which would just include Cumberland, Kennebec, and Penobscot Counties in addition to what's already there.

Because of the survey timing, we'd like to get this change made as soon as we can, so the remaining employees can be put on the York wage schedule. As you can see on page 2, the redefinition would become effective on the first pay period beginning on or after July 25th, 2011,

the same date that the Cumberland wage schedule would have become effective.

CHAIRMAN FRIEDMAN: Any questions or discussion?

[No response.]

CHAIRMAN FRIEDMAN: Have folks had a chance to review this issue? Do you need a caucus?

MS. SIMON: No. I mean, I think it's okay.

MR. PHELPS: I would like to have a caucus.

MS. SIMON: Oh, you would like to have a caucus?

MR. PHELPS: Yes.

MS. SIMON: Oh, okay.

CHAIRMAN FRIEDMAN: Okay. I believe we have the small Pendleton Room; is that right? So we will eagerly await your return.

[Caucus held off the record.]

CHAIRMAN FRIEDMAN: Welcome back. Are there any questions or discussion about 561-MGT-1?

MS. SIMON: No. Everything is okay.

CHAIRMAN FRIEDMAN: Is there consensus to adopt it?

MS. SIMON: Yes.

MR. PHELPS: Yes.

CHAIRMAN FRIEDMAN: So we have done that one.

Okay. It has been adopted.

MR. ALLEN: With that being the case, we'll proceed as soon as we can to get an interim regulation out on this one, so that the remaining employees are transferred to the existing York, Maine, wage area.

CHAIRMAN FRIEDMAN: Okay. Before we move on, we have a guest from another part of OPM. I would like for him to introduce himself for the record.

MR. BATES: My name is Ken Bates. I work within OPM. I work in the Partnership and Labor Relations Division and also administrative support to another FACA committee. I wanted to see how this FACA committee works. I work on the National Council of Federal Labor-Management Relations.

CHAIRMAN FRIEDMAN: Welcome. We're glad you could come today.

That brings up our other item of new business, Alaska set-aside area differential schedules, and I believe everyone has document 561-MGT-2.

Mark, why don't you summarize that for us, please?

MR. ALLEN: Okay. This is actually a fairly simple administrative matter. The International Boundary

Commission is the agency that's responsible for administering the boundary between the United States and Canada. As everybody is aware, that boundary can be quite remote, and in parts of Alaska, they have requirements to monitor border crossings. They have a facility near Eagle, Alaska, that's in a very remote part of the State of Alaska.

The practice for paying employees who are in remote parts of Alaska is to either pay a 4 percent, 8 percent, or a 12 percent differential above the regular wage schedule, and this is part of the set-aside wage schedule practices that are documented in Appendix V of the OPM Operating Manual.

The International Boundary Commission has requested that they be given permission to have their employees paid, if appropriate, under one of the differential schedules, and in Eagle, Alaska, that would obviously be the 12 percent differential schedule because it is in a very remote part of Alaska.

There shouldn't actually be anybody there right now, but they do employ people on a temporary basis, and they're usually there in the summer under what are apparently pretty rugged living conditions.

So we think it's a good idea to extend this pay practice, even though it is one of the set-aside pay practices to the International Boundary Commission, and we have done this before. It originated as a Department of Defense pay practice prior to the Federal Wage System, but we've also added the Department of the Interior and the General Services Administration over time. This comes up about every 10 years or so, we need to add a new location.

CHAIRMAN FRIEDMAN: Any questions or discussion on this one?

[No response.]

CHAIRMAN FRIEDMAN: Is there consensus to adopt this one?

ATTENDEES: Yes.

CHAIRMAN FRIEDMAN: Very good. So we've adopted 561-MGT-2, and I believe that concludes our new business.

At the last meeting, there was a question about telephone participation in the DoD wage survey committees.

Would you fill us in, John, on that?

MR. EHRBAR: After Jackie's question last time, why can't we do this by telephone, we contacted Mr. Freeman who is the Deputy Advisory Committee Member, Assistant

Director, Administration of Program Support, Office of WHS, which means he's the guy in charge of FACA for us.

We actually have now working within the Office of the Secretary of Defense a protocol which will allow us to do in-person FACA closed meetings. The necessary protocols and procedures need to be developed and coordinated before implementation, but Freeman was optimistic that this could happen later in the year.

In the meantime, the wage authority is looking at the options that we're going to have as we move CPMS to our new building in the fall and what will be available there, but however, for those instances, rare instances where a committee member can't attend the meeting in person now, we can do it telephonically, so we'll have to try to ease that up.

What we hope to do is to be able to do it all electronically and still keep the closed nature of the meetings. That's a plus. Thanks for the suggestions.

CHAIRMAN FRIEDMAN: Okay. Thank you for the information.

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

[No response.]

CHAIRMAN FRIEDMAN: If not, is there a motion to adjourn?

MR. PHELPS: So moved.

MR. ALLEN: And seconded.

CHAIRMAN FRIEDMAN: All right. Any objection to that?

[No response.]

CHAIRMAN FRIEDMAN: If not, we will take a short break, why don't we say 10 minutes, and convene in the small Pendleton Room for our working group.