

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

621st FPRAC

JILL L. NELSON, Chair, Presiding

Thursday, October 18, 2018

Room 5526
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Christopher Lynch, DoD
Susie Collins, Navy
Virginia Reynolds, Air Force
Debbie Kolen, VALabor Members:Dale Troll, MTD
Jacque Simon, AFGE
Richard Loeb, AFGE
Robert Shore, NAGE
Travis Kielty, ACT**Staff Specialists and Visitors:**Brenda Roberts, Designated Federal Officer, OPM
Madeline Gonzalez, OPM
Karl, Fendt, DoD
Christine Wlezien, DoD
Erica Abiera, VA
Lee Blackmon, NAGE (via phone)
Gary Buck, Army**Recording Secretaries:**Mike Eicher, OPM
Ana Paunoiu, OPM

[Transcript prepared from digital audio produced by FPRAC.]

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- Letter from the American Federation of Government Employees, dated June 30, 2014, Recommending (1) the Six Counties in the Current Portland, ME, Wage Area Be Redefined to the Portsmouth, NH, Wage Area and (2) the \$10.10 Per Hour Minimum Rate Granted to Federal Contractors by President Obama Be Applied to FWS Wage Schedules, 596-AFGE-1 [REPRINT]
- Excerpt from FPRAC Transcript of 596th Meeting Regarding the Abolishment of the Portland, Maine, Wage Area [REPRINT]

P R O C E E D I N G

CHAIR NELSON: Good morning, everybody. This meeting will please come to order.

This is the 621st meeting of the Federal Prevailing Rate Advisory Committee, and it is now 10:05. Pretty prompt.

The meeting is been recorded, and a transcript will be provided to all members.

My name is Jill Nelson, and I am Chair of this Committee.

We'll start with the introductions. We'll let the Union side start out here.

MR. KIELTY: I'm Travis Kielty with the Association of Civilian Technicians.

MR. SHORE: Robert Shore with the National Association of Government Employees.

MR. LOEB: Richard Loeb, AFGE.

MS. SIMON: Jacque Simon, AFGE.

MR. TROLL: Dale Troll, Metal Trades Department, AFL-CIO.

MR. ALLEN: Mark Allen with OPM.

MR. LYNCH: Christopher Lynch, Department of Defense.

MS. COLLINS: Susan Collins, Department of Navy.

MS. REYNOLDS: Virginia Reynolds, Department of Air Force.

MS. KOLEN: Deb Kolen, Department of Veterans Affairs.

CHAIR NELSON: Let's go ahead and go around. We'll start with you down there, Michael. We're going to go around the room.

MR. EICHER: Mike Eicher, OPM.

MS. GONZALEZ: Madeline Gonzalez, OPM.

MS. PAUNOIU: Ana Paunoiu, OPM.

MS. ABIERA: Erica Abiera, VA.

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

MR. FENDT: Karl Fendt, DoD.

MS. WLEZIEN: Christine Wlezien, DoD.

MR. BUCK: Gary Buck, Department of Army.

CHAIR NELSON: And I believe we might have someone on the phone. Lee, are you there?

MS. BLACKMON: Yes, I am. Good morning, everyone. Lee Blackmon with NAGE.

CHAIR NELSON: Thank you.

Let's move on to the announcements, if there are any. I don't have any. Does anyone have an announcement they would like to make?

[No audible response.]

CHAIR NELSON: I'm not hearing any. Okay.

So let's move on to reviewing of the minutes of the 620th meeting. The minutes were sent out. Edits were requested. Did you receive any edits?

MR. ALLEN: Did we get any comments?

MS. GONZALEZ: We did not receive any comments.

CHAIR NELSON: No comments?

MS. GONZALEZ: No.

Are there any edits offered today for the transcript?

[No audible response.]

CHAIR NELSON: Seeing and hearing none, the Chair will entertain a motion to accept the minutes of the 620th meeting.

MR. ALLEN: Move to accept the minutes.

CHAIR NELSON: A second?

[No audible response.]

CHAIR NELSON: Moved, seconded, seeing and hearing no objections, the minutes are approved.

Okay. We're going to move on to the Old Business. Let's start on the agenda with (a). We have the NAGE March 9, 2016, request.

MR. SHORE: Yeah. I guess I have somewhat of an update. Last time we talked or met, I said I would reach back out and try to get some more information from some of the employees. End of last week, I received, I think, 10 letters from different employees who have done some work that they've said has been crossed over into Leavenworth or with Leavenworth employees, some other issues that they've raised over this crossover. Because I didn't receive it until last week, I didn't submit it because I know the Committee requires everything a week in advance.

I'll get that to Madeline for the next meeting, so it can be circulated beforehand, and we can all have a chance to digest the additional information.

I note that there was also a question as to a difference, so to speak, of what the VA said regarding specific locksmith going work, and I believe one of the statements is from the locksmith as well explaining the work that he did at the—I think it was a CBOC or Leavenworth employees.

CHAIR NELSON: Excellent. So you'll get that sent out ASAP, this week

hopefully?

MR. SHORE: Yeah. I'm hoping today or tomorrow, I'll be able to get it out to Madeline.

CHAIR NELSON: Okay. That will provide the opportunity for you guys to go back and do some of your research.

MR. ALLEN: Sounds good to me.

I guess the overall approach to this is to see how integrated the labor markets are between Topeka and Kansas City or Leavenworth, Kansas. Is that right?

MR. SHORE: Yeah.

There was one other thing. The supervisor for these maintenance employees apparently—he is under the impression he is not allowed to voice his opinion on this matter. He has, I guess, expressed some concern that the VA wouldn't want him to express his opinion.

I know that's not the case. It's not been the case in previous examples where we've kind of reached out to people on the ground. If the VA could let him know that he's welcome to submit a statement if he wants or if we can have him call in—I know we have people call in on this issue in the past—that might be something to look into as well.

And I can provide his name as well.

CHAIR NELSON: Okay. So shall we table this until the next one, and we'll move on?

MR. ALLEN: Yes.

CHAIR NELSON: Then we will be able to have the discussion and follow up.

Thanks, Rob, for following up on it.

Okay. (b) is definition of Pitt County, North Carolina, to a Nonappropriated Fund

Federal Wage System. Do we have an update on that?

MR. ALLEN: I think when we left off the last meeting, AFGE had asked for a deferral on this one so that local activity could be contacted.

MS. SIMON: Yeah. We need a deferral. We have people scheduled to go visit that area this month.

MR. ALLEN: Okay to defer on that? Is everybody else okay with it?

MR. LYNCH: Yes.

CHAIR NELSON: Moving on to (c), review of the San Antonio, Texas, Federal Wage System. Do we have an update on that one from Management?

MR. ALLEN: I don't have an update on anything with this.

I think the issue arose because some employees in San Antonio looked at the wage schedule for Corpus Christie and saw that it was considerably higher and just had some questions about why it was that way.

The Management documents explain why there are differences between the two schedules based on the market data collected locally by DoD. So we don't really have anything more to share on that at this point.

If there aren't really any remaining questions, I would suggest we just table this one. We've done the study of it on the Management side, and we don't really see anything that would drive a change for either the Corpus Christie area or the San Antonio area at this time.

CHAIR NELSON: Is there a consensus to just go ahead and table this for now?

[No audible response.]

CHAIR NELSON: Okay. Then let's consider that one tabled.

Moving on to (d), that was the request we received last month on the letter from

AFGE dated September 6th, 2018, requesting to review a proposal to not allow Federal Wage System boundaries to split General Schedule locality pay areas and a proposal to redefine Monroe County, Pennsylvania, from the Scranton-Wilkes-Barre, Pennsylvania, wage area to the New York, New York, wage area.

MS. SIMON: I'm sorry?

CHAIR NELSON: This one has to do with—it's letter (d) on your agenda.

MS. SIMON: No, I know that.

CHAIR NELSON: Okay. So I'm just wondering. Do we have an update as to where we are with this one?

MS. SIMON: Well, the Committee is very knowledgeable about this. It's been studied. There's a tremendous inequity at the Tobyhanna Army Depot between the General Schedule employees and the Wage Grade employees. The General Schedule draws its locality boundaries on the basis of commuting data, and the Federal Wage System uses an arcane set of antiquated criteria that don't have anything to do with the definition of a local labor market. A local labor market in everybody's sort of conception as well as the conception of labor economics is a commuting area, and the GS and Wage Grades who have jobs in the Tobyhanna Army Depot follow the same commuting routes.

Nevertheless, the employer has decided to treat the hourly workforce different from the salaried workforce to the disadvantage of the hourly workforce, and they recognize that Monroe County, Pennsylvania, is in the New York City labor mark for the GS workforce, and that recognition should be extended to the hourly workforce, which is why we have made the proposal to provide the same wages in Monroe County as in the New York Wage Area.

In addition, Congress has recognized for more than a decade that this distinction

and difference in treatment between the hourly and salaried federal workforce is inequitable and bad management, just to put it bluntly, and has provided the same pay adjustment each year.

Unfortunately, we don't have the same pay levels, and this proposal seeks to rectify that inequity.

MR. ALLEN: I think when we left off on this one at the last meeting, the members were going to see if they had some new information to share or to provide a background briefing to the new Chair.

MS. SIMON: I think the most important new information that we could provide the Chair at this point would probably have to do with the cost of implementing the proposal. I think most of these—I don't think anybody could argue that it makes sense for an employer to discriminate against its hourly workforce in favor of its salaried workforce. Nobody really wants to be the advocate of discrimination. So the debate really ends up centering on cost, whether or not rectifying the inequity is affordable.

MR. ALLEN: On the Management side, we did do a costing of this before—

MS. SIMON: Yeah, several years ago.

MR. ALLEN: It turned out to be somewhere \$100 million.

MS. SIMON: I think it was less than that.

MR. ALLEN: There were other Management objections to the proposal that went forward to the Director of OPM, not just based on cost. It was based on a reading of the prevailing rate, the prevailing rate principles for Federal Wage System employees, and those were put into two minority reports that accompanied the majority recommendations to the Director.

It's not just cost. We can look at what the cost is again. It may be different. I doubt

that it would be that much different.

MS. SIMON: Well, I understand. I've certainly read them, Mark. We've all read them. I don't know if the new Chair has read them. My interpretation of those minority reports are as long as we can get away with discriminating between the salaried and hourly workforce, why not? That was the business case.

Inequity is inequity, and we think that the inequity should be rectified.

There's no question that both workforces work in the same location, the identical location. They work for the same employer, and they commute on the same roads. However, one is recognized as being in a New York locality based upon Census data having to do with commuting, and one is recognized as being in a smaller local wage area, not because they only draw from that small area, but because historically, wage area boundaries were drawn around military installations, not on the basis of commuting data, not on the basis of contemporary concepts of labor markets.

Nevertheless, we have this inequity. We have this practice of discrimination against the hourly workforce by the federal government, the employer, at Tobyhanna, and we have urged rectification of this inequity. It does have a cost. It might be up to \$100 million. It was something close to \$60 million-some the last time it was costed, but I think an update of the cost would be valuable.

MR. ALLEN: Does the Chair find that information useful?

CHAIR NELSON: I think it would be.

MR. ALLEN: Okay.

CHAIR NELSON: I think if we can put that—we're at least looking at the most current information that we've got.

MR. ALLEN: Okay. Had you also had access to the minority report that the Management members sent forward?

CHAIR NELSON: I have read quite a bit of—

MR. ALLEN: Okay.

CHAIR NELSON: It looks to me like this is an issue that's been going on for many years. There's a binder like that.

MR. ALLEN: Yes.

MS. SIMON: Yeah. Staff, Madeline did a heroic effort of describing exactly what all the new wage areas in the country would look like, if this proposal were implemented and who would move where, just a realignment.

CHAIR NELSON: It's an impressive binder to try to get through.

MS. SIMON: It is.

CHAIR NELSON: Thank you, Madeline.

MS. SIMON: It was a real masterpiece.

CHAIR NELSON: So why don't we go ahead and defer this one and see if we can get at least the current numbers that we can review?

MR. ALLEN: Okay. If anything else occurs, too, it may be helpful for the members to look at. It will pull some additional information as well.

MS. SIMON: Yeah. We should say the costs we were talking about was implementing the proposal in all non-rest-of-U.S. GS localities. It's not \$100 million or \$60 million for just Tobyhanna.

CHAIR NELSON: Okay. So we're ready to move on to New Business.

We have a shorter list of New Business this time.

MR. ALLEN: I guess this one is actually old.

CHAIR NELSON: It is, once we get to it.

I'm going to let you go ahead and describe where we are with this one.

MR. ALLEN: Okay.

CHAIR NELSON: This was raised at the last meeting, and Management has put together some of the documents from where this was addressed once before.

MR. ALLEN: Okay. I understand that Paul O'Connor worked at the Portsmouth Naval Shipyard in Portsmouth, New Hampshire, for a long time. So he's very familiar with that area, and he had some questions about how it came to be that the Portland, Maine, wage area was abolished and what happened to it.

So we have provided some documents that show the current definition of the Portsmouth, New Hampshire, wage area, and that document shows four counties in Maine currently in the survey area. The basis for that is that FPRAC received a recommendation from AFGE that recommended a certain way of defining the counties of the abolished Portland, Maine, wage area, and that was to define all six counties to the Portsmouth, New Hampshire, wage area, with three of those counties continuing as survey area counties.

Basically, FPRAC made a recommendation to do that. OPM issued regulations to implement that, with the Director's approval.

That's basically how things currently stand. We also provided a transcript to show what was discussed. I don't know if Paul had any more questions about that or if this information would answer his questions.

MR. TROLL: I'm going to take this information and forward it to him.

Unfortunately, he wasn't able to make it today. He's in Albuquerque, New Mexico. So I'll make

sure he gets all this information. We'll go over it for the next meeting and have some information back.

MR. ALLEN: Okay. If you guys have any other questions, you can just call me directly, and I'll talk to you.

MR. TROLL: Absolutely.

CHAIR NELSON: Excellent. So we'll go ahead and defer this also until the next meeting, and we'll be able to discuss. Great.

Is there any other new business that anyone here would like to bring up?

MR. ALLEN: One thing that we could update you on—I think we're getting closer, if we haven't already done it, which is the extension of the Alaska differential schedule to the Coast Guard employees. That does not require a regulation. I think I said that at the last meeting.

Do we have the letter out that approved that already to DHS?

MS. GONZALEZ: Yes.

MR. ALLEN: Okay. So that is approved?

MS. GONZALEZ: Yes.

CHAIR NELSON: Excellent. Thank you.

Is there any other New Business to be raised?

[No audible response.]

CHAIR NELSON: Okay. I'd like to point out to you that the future meeting dates from here will be Thursday, November 15th, and Thursday, December 20th, the next 2 months.

It looks to me like we've covered everything here today. Is there a motion for adjournment?

ATTENDEE: Moved.

MR. ALLEN: Second.

CHAIR NELSON: Second? Okay. The meeting is adjourned. Thank you so much.

I appreciate everyone attending today.