

## FEDERAL PREVAILING RATE ADVISORY COMMITTEE

618th FPRAC

**SHELDON FRIEDMAN**, Chairperson, Presiding

Thursday, December 15, 2016

Room 5526  
Office of Personnel Management  
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM  
Jim Davey, DoD  
Jason Munro, Air Force  
Gary Buck, Army  
Arleen Romba, VA (via phone)Labor Members:Randy Erwin, MTD  
Jacque Simon, AFGE  
Candace Archer, AFGE  
Robert Shore, NAGE  
Jeff Beltran (ACT)**Staff Specialists and Visitors:**Brenda Roberts, Designated Federal Officer, OPM  
Madeline Gonzalez, OPM  
Rebecca Chaves, DoD  
Thomas Bustard, DoD  
Rosemary Meriwether, Navy  
David Pedersen, Navy**Recording Secretaries:**Mike Eicher, OPM  
Ana Paunoiu, OPM

[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, and welcome to this our 618th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee, and as usual, let's please go around the room and introduce ourselves. Let's start with you today, Randy.

MR. ERWIN: Randy Erwin with National Federation of Federal Employees, representing the Metal Trades Department.

MS. ARCHER: Candace Archer, AFGE.

MR. SHORE: Rob Shore, NAGE.

MR. BELTRAN: Jeffrey Beltran, ACT

MR. ALLEN: Mark Allen with OPM.

MR. MUNRO: Jason Munro with Air Force.

MR. BUCK: Gary Buck, Department of Army.

CHAIRMAN FRIEDMAN: If the Committee members on the phone could please introduce themselves also, if you can hear me out there?

MS. SIMON: Jacque Simon, AFGE.

CHAIRMAN FRIEDMAN: Arleen, are you there?

MS. ROMBA: I'm sorry. I was on mute. This is Arleen Romba with VA.

CHAIRMAN FRIEDMAN: Thank you, Arleen.

And if everyone else in the room could also please introduce themselves, starting, Brenda, with you, please.

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

MS. MERIWETHER: Rosemary Meriwether, Navy.

MR. PEDERSEN: David Pedersen with Navy.

MS. PAUNOIU: Ana Paunoiu, OPM.

MS. GONZALEZ: Madeline Gonzalez, OPM.

MR. EICHER: Mike Eicher, OPM.

CHAIRMAN FRIEDMAN: Okay. Well, we will hope that DoD arrives, and meanwhile, there's a few things we can do pending that, quorum-wise.

Announcements. So, first of all, we do have our annual FPRAC holiday party after this morning's meeting. It will be in another room. I think Madeline knows the way. So we'll follow her.

I think everybody got one of the local New Jersey press accounts about the Joint Base final regulation. It was published in the Federal Register, and there have been several press accounts about it. I also want to let people know that I have gotten a stack of letters from FWS employees at Tobyhanna. I'm happy to share them with the Committee, if you're interested. Other than that we could at least adopt the transcript of our last meeting pending the arrival of a quorum, and we could also discuss issues pending arrival of a quorum.

On the transcript, are there any other changes beyond those that we have heard from you about, that people want to bring to our attention?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, is there any objection to adopting the transcript

of our last meeting?

MR. ERWIN: No objection.

CHAIRMAN FRIEDMAN: Okay. Hearing no objection, the transcript is adopted.

Thank you.

That brings up Old Business, which we can certainly discuss.

MR. ALLEN: I think we have a quorum, a fourth on the Management side.

CHAIRMAN FRIEDMAN: Oh, that's true, on the telephone.

MR. ALLEN: Five on Labor.

CHAIRMAN FRIEDMAN: We do. Arleen, I'm sorry. You're on the phone. Yes, there is a quorum. Okay. Never mind. We're ready to rock and roll, then.

So under Old Business, the first item is the issue of Shawnee County, Kansas, and the Topeka wage area, which NAGE has brought to our attention, and we have in addition a new document that Rob submitted and was circulated via e-mail yesterday. The new document asks for an extension of the earlier analysis that OPM staff did of the wage area, and also provides answers to several of the Management questions that were asked earlier about what's going on out there.

Rob, would you like to kick off a discussion on this?

MR. SHORE: Yeah. As the Chairman said, I guess the second part of the letter is the questions that I had written down and pulled from our notes, and I sent them to the guys at the VA, and these are their answers. What happened was after I went through all that and kind of did a little research myself and went back over 612-MGT-1, which was what was put together in

response to our first request, I kind of realized there was something missing because we don't know what would happen to the rest of the employees in the wage area, either if you pulled out Shawnee County or if you abolished the Topeka wage area all together, where would the other employees go. I know that some of the employees, the ones at the DoD in particular that are represented by AFGE, they're further away. They might go to—I think Omaha is the closest. Looking at a map, it was the closest wage area. So I think it's important to know what would happen to everybody else, and that was the reason for the request to expand what was originally looked at, so we would have a better picture of what would happen to all the employees should Shawnee County be removed from the Topeka wage area.

MR. ALLEN: Okay. So, as with other hypothetical situations, I think just from the OPM perspective, we're fine with doing a further analysis. Even though it's the Management position that we don't see a good reason to abolish the wage area at this time, I don't really see an issue with doing a hypothetical to see what would happen.

MR. SHORE: Okay.

CHAIRMAN FRIEDMAN: Is that something we could have for our next meeting?

MR. ALLEN: Given the compressed amount of time, probably not. The holiday schedules are weighing in on this.

MR. BUCK: Moving it up to the 12th?

MR. ALLEN: Yeah.

CHAIRMAN FRIEDMAN: Well, that could put it off for quite a long time. That's too bad.

Well, anything else, then, that you want to discuss on this issue on either side of the table?

MR. SHORE: Yeah, yeah. I can go through the questions if that's what people think is appropriate. I guess the other option is going through them on your own, and if they raise more questions, you can bring them up at the meeting on the 12th and I can see if I can answer them, or you can e-mail me questions and I can follow up with the guys that are working there.

The one thing, I think, that I would point out is that it was mentioned when we heard from some of the guys there that there wasn't documentation of some of the work that they were doing going into the CBOCs that were in the Kansas City wage area, and that practice has stopped. They are now doing a better job. It's mentioned in one of the answers, but they are now actually documenting anytime somebody is going there. They're doing a better job of maintaining logs and keeping track of who is going where, so that could help in any future—if we look at it in the future as well.

MR. BUCK: And the total number of employees was five, to the last question? There are two—or two or three other employees, so there's four of the five.

MR. SHORE: Yeah, who are regularly—yeah.

MR. BUCK: Okay.

CHAIRMAN FRIEDMAN: On the Management side, are there any follow-up questions or discussion relating to the new information that Rob has brought to the Committee?

MR. ALLEN: I think this is very helpful information, the questions and answers. It's good information to know.

CHAIRMAN FRIEDMAN: Okay. Well, I guess we will move on in the agenda,

then. The next item is (b) under Old Business, the definition of Forsyth and Mecklenburg Counties, North Carolina, to a nonappropriated fund Federal Wage System wage area.

When last we met, there was a Management caucus, and it was requested that further consideration of this issue be deferred until this meeting. This was a case where for one of the two counties, organizational relationship pointed in a different direction than distance. That would be Mecklenburg County.

I guess I should ask, Mark, if you want to say anything about this one.

MR. ALLEN: Yeah. The reason we did not have a decision at the last meeting was because VA staff needed to check with local people in North Carolina to see how they felt about changing the original Management proposal, and I think we're okay going with distance as the criterion in this case. That would mean changing the original Management recommendation. So I guess the question is which county goes to—

CHAIRMAN FRIEDMAN: Forsyth goes to—

MR. ALLEN: Forsyth goes to Cumberland; is that correct?

CHAIRMAN FRIEDMAN: Yep.

MR. ALLEN: And Mecklenburg would go with—what's the name of the wage area, Madeline?

MS. GONZALEZ: Richland.

CHAIRMAN FRIEDMAN: Richland.

MR. ALLEN: Richland, South Carolina.

CHAIRMAN FRIEDMAN: So then that's the revised Management proposal.



Does that proposal need to have a number? Is the proposal clear?

MR. ALLEN: If we have consensus on it—

CHAIRMAN FRIEDMAN: Yeah. Is there consensus to adopt the revised Management proposal? So we would be resolving Old Business (b) regarding the definition of Forsyth and Mecklenburg Counties, as Mark has mentioned, with Forsyth going to which one again?

MS. GONZALEZ: Cumberland.

CHAIRMAN FRIEDMAN: Cumberland. And Mecklenburg going to Richland, South Carolina. In both cases, distance would be the criterion for our recommendation.

Is there consensus to do that, on both sides?

MR. ALLEN: There's one other thing to add to that. I think the schedule for the Richland wage area is marginally higher for the relevant grade—

CHAIRMAN FRIEDMAN: Right.

MR. ALLEN: —than the Cumberland area.

CHAIRMAN FRIEDMAN: Is there a consensus to do that?

MR. ERWIN: I think we do have consensus.

CHAIRMAN FRIEDMAN: Okay. So we have adopted the revised Management proposal as a recommendation.

That moves us on to (c), definition of Pitt County, North Carolina, to a nonappropriated fund Federal Wage System wage area. Here, we had a case of the VA initially making the determination based on organizational relationship, which the Management side,

upon reflection, thinks should have been based on distance. This would have the effect of moving these very low-paid couple of folks to an even lower pay schedule.

MR. ALLEN: In this case, pay retention would apply.

CHAIRMAN FRIEDMAN: Of course, but they would only get half the increase for next year, I assume, that they'd otherwise get. Talking about pay, at Grade 2, step 2 \$8.90 an hour is the Pitt County NAF employees' current rate of pay, versus \$8.44 according to the wage schedule that Management is proposing. It is rather disgraceful, in my mind, that federal employees are being paid so little, and I hate the thought of cutting their future pay increases in half, even if they are eligible for pay retention.

Welcome, Jim. We decided that you should pay for the holiday party. Is that okay?

[Laughter.]

MR. DAVEY: No, that's not okay.

CHAIRMAN FRIEDMAN: But we all voted to do that. It was unanimous.

[Laughter.]

MR. DAVEY: Thank you all for agreeing on something today.

CHAIRMAN FRIEDMAN: Would you please introduce yourself for the recorder.

MR. DAVEY: Jim Davey from DoD.

CHAIRMAN FRIEDMAN: Thank you.

We were at item (c) under Old Business, definition of Pitt County, North Carolina, to a nonappropriated fund Federal Wage System wage area.

Any discussion on that, or, Mark, do you want to refresh our memories on that one? Do we need a refreshment of memory?

MS. ARCHER: Yeah, that would be helpful.

MR. ALLEN: Yeah. So, basically, the situation was that the VA had been paying a couple of people, three people at one time, from an incorrect wage schedule in view of the Management members. They basically skipped over one survey area to attach it to another survey area based on organizational relationships of some sort. So under OPM's regulations, distance for defining NAF areas is the primary criterion, and in the case of Pitt County, it should be defined to the Wayne wage area.

VA staff checked locally to see if they could have two people. There are only two people there now. One person was on a permanent appointment, and the other was temporary. So VA has, I believe, made both positions permanent positions, which means that pay retention would apply to both of those individuals.

CHAIRMAN FRIEDMAN: So I think that this Pitt County facility is a satellite of a facility in Durham, North Carolina, and the folks there, for a couple of years, have been paid based on the schedule that applies to Durham.

Any discussion?

MS. SIMON: This is Jacque. I think we need to defer a vote on this. I need to check in with our people and just find out exactly what the impact would be and what their situation is.

CHAIRMAN FRIEDMAN: Okay. We can certainly defer a vote or a decision.

Is there, however, any other discussion or question about Pitt County that anyone

wants to raise this morning?

[No audible response.]

CHAIRMAN FRIEDMAN: No. All right. Okay. We will defer this matter until our next meeting, which then brings up item (d) under Old Business, review of San Antonio, Texas, FWS wage area--in particular, the situation there of aircraft maintenance workers, and we do have a new document, 618-OPM-1, which was produced in response to questions that were raised at our previous meeting.

Mark, would you like to walk us through that one?

MR. ALLEN: We were asked to find out if there were recruitment and retention problems in the San Antonio wage area. For example, the 3500 General Services and Support Work Family occupation showed 52 quits out of a population of 135. I'm not sure what's going on with that, but there seems to be a lot of turnover in that occupation for some reason.

But I think the issue was with aircraft mechanics, and that aircraft mechanics in Corpus Christi were getting paid more than aircraft mechanics in San Antonio, but the quit rates for those occupations are low in the San Antonio wage area, which would make OPM approval of a special rate request, should we receive one, difficult.

There's also the possibility of the employing agencies using recruitment and retention incentives should they have difficulty with key positions in any occupation in the San Antonio area.

CHAIRMAN FRIEDMAN: Are we saying that there have not been any requests for special rates or other recruitment and retention incentives, regarding aircraft maintenance workers, from San Antonio?

MR. ALLEN: No. We haven't received any.

CHAIRMAN FRIEDMAN: Any other discussion of this? This was an issue that AFGE brought to us. Jacque or Candace, do you want to raise anything on this one?

[No audible response.]

CHAIRMAN FRIEDMAN: Are you there, Jacque?

MS. SIMON: This is Jacque.

Yeah. Mark, you're only looking at transportation equipment operation family and maintenance family? Are those the two categories that you say have such low quit rates and, thus, the wages are obviously fine?

MR. ALLEN: Of aircraft maintenance positions?

MS. SIMON: Which number? Which series?

MR. ALLEN: Aircraft maintenance would be under 8600, typically, and 8800.

MS. SIMON: Okay. This is not anything—is there adequate private sector job matches for these in the San Antonio survey?

MR. ALLEN: I believe the San Antonio wage surveys are actually used as a reference point for Corpus Christi for the Monroney Amendment provision.

MS. SIMON: So Corpus Christi uses San Antonio under Monroney and comes up with higher wages than San Antonio does?

MR. ALLEN: Well, sometimes the Monroney provision doesn't have much of an impact if the wage level is already higher in a local wage area. I think that's what—

CHAIRMAN FRIEDMAN: Jacque, there's data on that in the document from last

time where—

MS. SIMON: Oh, okay.

CHAIRMAN FRIEDMAN: —they have the survey wage data for aircraft maintenance in San Antonio.

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: The survey result, if my memory is right, is \$26 and change versus the schedule, which is about \$22 and change in San Antonio. The survey wage is considerably above the schedule —

MS. SIMON: And how about Corpus?

CHAIRMAN FRIEDMAN: In Corpus, the schedule wage is actually a little bit above. It's about \$27, I think. They use, as Mark has said, the San Antonio private sector aircraft maintenance data under Monroney to come up with the Corpus Christi wage.

I hope I said that right. Did that sound right?

MS. SIMON: Sheldon, this seems rather contradictory. I mean, I understand that they just have to construct a pay line, and that's how this happens because it must be higher at the bottom for San Antonio or something. I don't know. But it does seem contradictory if you've got the survey data from San Antonio being used for Corpus Christi at the schedule and Corpus Christi is higher and lower in San Antonio. It just seems to be really, really—talk about something that violates even the spirit of the prevailing rate wage. It doesn't seem right.

CHAIRMAN FRIEDMAN: I guess we could dig into the underlying data more, if that's what we want to do.

I agree it is a bit of a puzzle.

MR. ALLEN: The data are already provided in the Management analysis. We already did, which provides information on the survey jobs. It shows that the survey data for the Corpus Christi area reflect higher wage levels in Corpus Christi compared to San Antonio. That's really what's driving it. The Monroney Amendment provision really has little, if any, impact by importing aircraft data into an already higher-paying wage area. That's really what's going on with it.

CHAIRMAN FRIEDMAN: Yeah. Okay, I see. That could explain it..

MR. DAVEY: This is Jim Davey. If there were no Monroney data being imported, for all we know, Corpus Christi might even be higher than it is.

CHAIRMAN FRIEDMAN: Could be. Yeah. Okay.

That's certainly a plausible explanation, Jacque, it seems. Does that satisfy you?

MS. SIMON: Not really. I mean, I hear it, but I still feel like there's an inequity there that's not justified by the data for that occupation, and they have a legitimate point.

CHAIRMAN FRIEDMAN: It is interesting that the quit rate is as low as it is, even compared to other jobs in that wage area or other job families. I don't know if they're all very high seniority folks. Who knows?

Anyway, how do we proceed on this one? The Management position clearly is that no change is needed. I'm not sure on the Labor side if there is a specific proposal.

MS. SIMON: Well, we want higher wages, obviously, for the folks in San Antonio. I guess we just have to try to think about a strategy for accomplishing that. I mean, it's clear that there's this big discrepancy between what they're paid and what their survey data

suggest they should be paid.

I understand we're back to the world of if people aren't quitting in droves, then wages are fine. If anything, possibly too high, right?

Anyway, so I guess we'll go back to the drawing board.

CHAIRMAN FRIEDMAN: Okay. Anything else on this one?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, we don't have any other New Business items on our prepared agenda. Is there any other New Business item that people want to bring up?

MS. SIMON: I have a question. Are we meeting in January?

CHAIRMAN FRIEDMAN: On January 12th.

MS. SIMON: Yes, we are?

CHAIRMAN FRIEDMAN: Yes.

MS. SIMON: We are? Okay. I just want to make sure of that.

CHAIRMAN FRIEDMAN: Well, I mean, there could be a blizzard. You know—

[Laughter.]

MS. SIMON: Okay. Yeah. Okay.

CHAIRMAN FRIEDMAN: We have a meeting January 12th.

MR. ALLEN: One other thing I wanted to bring to everybody's attention, that is the Continuing Resolution passed Friday, and the President signed it. And that is, as everybody probably knows, the mechanism for continuing the pay limitation and floor increase provision



for the Federal Wage System. So once the President issues his pay executive order, sometime in the near future, OPM will be issuing its manual guidance on how to implement wage schedule adjustments. I don't have the specific data on when the EO may be released, but it should be coming pretty soon.

CHAIRMAN FRIEDMAN: Any questions about that?

[No audible response.]

CHAIRMAN FRIEDMAN: No? Okay.

Somebody want to say something?

[Laughter.]

MS. SIMON: Well, I was going to ask a question, but I think I've already had my question answered. I had some questions about exactly what happened when the Continuing Resolution expires, but, of course, nobody really knows what will happen, so—

MR. DAVEY: I was hoping that the union could get a third version of the increase, and they could even go higher.

MS. SIMON: Well, never say never.

MS. ARCHER: We're always trying.

CHAIRMAN FRIEDMAN: So if there is no other new business, it would certainly be in order for us to adjourn.

MR. ERWIN: Motion to adjourn.

CHAIRMAN FRIEDMAN: Okay. Any second?

MR. ALLEN: Second.

CHAIRMAN FRIEDMAN: Any objection to adjourning?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing none, let me say Happy Holidays, Merry Christmas, Happy Hanukkah, Happy New Year, Happy Kwanza, and any other happy that you want to be happy about.

Madeline knows the way to the party. I hope people can hang around and partake.