

House - Post office and
Y4 PRESERVATION OF BASIC PAY
P 84/10 IN DOWNGRADING ACTIONS
P 29/7

GOVERNMENT
Storage



HEARINGS
BEFORE THE
COMMITTEE ON
OFFICE AND CIVIL SERVICE
USE OF REPRESENTATIVES
EIGHTY-SEVENTH CONGRESS

FIRST SESSION
ON
H.R. 5674 and related bills

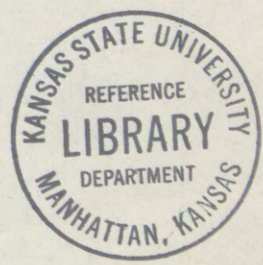
BILLS TO EXTEND TO EMPLOYEES SUBJECT TO THE
CLASSIFICATION ACT OF 1949 THE BENEFITS OF SALARY
INCREASES IN CONNECTION WITH THE PROTECTION OF
BASIC COMPENSATION RATES FROM THE EFFECTS OF
DOWNGRADING ACTIONS, TO PROVIDE SALARY PROTEC-
TION FOR POSTAL FIELD SERVICE EMPLOYEES IN CER-
TAIN CASES OF REDUCTION IN SALARY STANDING, AND
FOR OTHER PURPOSES

APRIL 21 AND 24, 1961

Printed for the use of the Committee on Post Office and Civil Service



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1961



COMMITTEE ON POST OFFICE AND CIVIL SERVICE

TOM MURRAY, Tennessee, *Chairman*

JAMES H. MORRISON, Louisiana
JAMES C. DAVIS, Georgia
JOHN LESINSKI, Michigan
KATHRYN E. GRANAHAH, Pennsylvania
THADDEUS J. DULSKI, New York
DAVID N. HENDERSON, North Carolina
ARNOLD OLSEN, Montana
JOSEPH P. ADDABBO, New York
RICHARD H. ICHORD, Missouri
G. ELLIOTT HAGAN, Georgia

ROBERT J. CORBETT, Pennsylvania
H. R. GROSS, Iowa
JOEL T. BROYHILL, Virginia
AUGUST E. JOHANSEN, Michigan
GLENN CUNNINGHAM, Nebraska
GEORGE M. WALLHAUSER, New Jersey
ROBERT R. BARRY, New York
KATHARINE ST. GEORGE, New York
JOHN H. ROUSSELOT, California
EDWARD J. DERWINSKI, Illinois

SUBCOMMITTEE APPOINTED TO CONSIDER H.R. 5674 AND RELATED BILLS

JOHN LESINSKI, Michigan, *Chairman*

RICHARD H. ICHORD, Missouri
G. ELLIOTT HAGAN, Georgia

JOEL T. BROYHILL, Virginia
EDWARD J. DERWINSKI, Illinois



CONTENTS

Statement of—	Page
Adler, John W., Chief, Personnel Office, Department of Justice.	65
Braxton, Charles, legislative director, National Alliance of Postal Employees.....	29
Cobb, J. B., president, National Alliance of Postal Employees.....	30
Gibson, Everett, National Federation of Post Office Motor Vehicle Employees (AFL-CIO).....	34
Jaspan, Daniel, legislative representative, National Association of Postal Supervisors.....	12
Keating, Jerome, vice president, National Association of Letter Carriers (AFL-CIO).....	68
Langan, James K., Government Employees' Council.....	31
Macy, Hon. John W., Jr., Chairman, Civil Service Commission.....	39, 66
Martin, Tommy, president; and John Emeigh, secretary; National Rural Letter Carriers' Association.....	21
McAvoy, Harold, National Association of Post Office and Postal Transportation Service Mail Handlers, Watchmen, and Messengers.....	68
McCart, John, legislative representative, American Federation of Government Employees.....	9
McKay, John, president; and David Silvergleid, secretary; National Postal Union.....	16
Messer, Ross, National Association of Post Office and General Services Maintenance Employees.....	32
Michel, Hon. Robert H., Representative from Illinois.....	7
Murphy, Hon. Richard J., Assistant Postmaster General, Bureau of Personnel, accompanied by Bernard J. Beary, Deputy Assistant Postmaster General, Bureau of Personnel, Post Office Department.....	46
Nagle, Paul, president, National Postal Transport Association.....	26
North, Roy, legislative representative, National Association of Postmasters.....	23
O'Connor, John F., National Federation of Post Office Clerks (AFL-CIO).....	36
Owen, Vaux, president, National Federation of Federal Employees.....	11
Sorensen, Stanley, chairman, legislative committee, branch 16, National Association of Postal Supervisors.....	69
Vaughn, William T., executive vice president, National League of Postmasters.....	37
Warfel, George, National Association of Special Delivery Messengers.....	36
Wheless, Leon, Director of Office of Civilian Personnel, Department of Defense.....	64

CONTENTS

100	Statement of—
95	Admiral John W. Child, Personnel Office, Department of Justice
85	Assistant Chief, Legislative Director, National Alliance of Postal Employees
80	Employees
75	Chief, U.S. Post Office, National Alliance of Postal Employees
70	Chief, U.S. Post Office, National Alliance of Postal Employees
65	Employees (A.P.E.U.)
60	Postal Union, Legislative Representative, National Association of
55	Postal Employees
50	Postal Union, Legislative Representative, National Association of
45	Postal Employees
40	Postal Union, Legislative Representative, National Association of
35	Postal Employees
30	Postal Union, Legislative Representative, National Association of
25	Postal Employees
20	Postal Union, Legislative Representative, National Association of
15	Postal Employees
10	Postal Union, Legislative Representative, National Association of
5	Postal Employees
0	Postal Union, Legislative Representative, National Association of

PRESERVATION OF BASIC PAY IN DOWNGRADING ACTIONS

FRIDAY, APRIL 21, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 215, House Office Building, Hon. John Lesinski presiding.

Mr. LESINSKI. The subcommittee will come to order, please.

This subcommittee, consisting of Mr. Ichord, Mr. Hagan, Mr. Broyhill, Mr. Derwinski, and myself as chairman, was appointed to consider H.R. 5674, 4527, 1813, 5398, 5431, 6220, and 6288, bills which relate to salary downgrading and related personnel matters affecting employees under the Classification Act and in the postal field service.

H.R. 5431 by Mr. Murray and H.R. 5398 by Mr. Corbett are identical. H.R. 6260 and 6288 also are identical bills by the same members.

(H.R. 5674, H.R. 4527, H.R. 5431, H.R. 6260, and H.R. 1813 follow:)

[H.R. 5674, 87th Cong., 1st sess.]

A BILL To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SALARY PROTECTION FOR EMPLOYEES SUBJECT TO CLASSIFICATION ACT OF 1949

AMENDMENTS TO CLASSIFICATION ACT OF 1949

SEC. 101. (a) Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; Public Law 85-737; 5 U.S.C. 1107), is amended—

(1) by inserting “(including each increase provided by law in such rate of basic compensation)” immediately following “to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade” in subsections (a) and (b) of such section;

(2) by striking out “and” in paragraph (3) of such subsection (a);

(3) by inserting “and, with respect to each temporary promotion occurring on or after the date of enactment of this amendment, is not a condition of his temporary promotion to a higher grade” immediately before the semicolon at the end of such paragraph (3); and

(4) by inserting “(including each increase provided by law in such rate)” immediately following “July 1, 1954”, wherever occurring in subsection (c) of such section, and immediately before the period at the end of such subsection.

2 PRESERVATION OF BASIC PAY IN DOWNGRADING ACTIONS

(b) (1) The amendments made by subparagraphs (1) and (4) of subsection (a) of this section shall become effective as of August 23, 1958.

(2) The amendments made by subparagraphs (2) and (3) of such subsection (a) shall become effective on the date of enactment of this Act.

RETROACTIVE COMPENSATION; VALIDATION OF PAYMENTS; RELATION OF PAYMENTS TO CIVIL SERVICE RETIREMENT ACT AND FEDERAL EMPLOYEES' GROUP LIFE INSURANCE ACT OF 1954

SEC. 102. (a) (1) Except as otherwise provided in paragraph (2) of this subsection, payments of increases provided by law in rates of basic compensation are hereby authorized, and shall be made, in accordance with the amendments made by subparagraphs (1) and (4) of subsection (a) of section 101 of this title to section 507 of the Classification Act of 1949, as amended (5 U.S.C. 1107), and in accordance with other applicable provisions of such section 507, as amended, for services to which the provisions of such section 507, as amended, apply and which were rendered in the period beginning on the first day of the first pay period commencing after August 23, 1958, and ending at the expiration of two years immediately following the first day of such first pay period, with respect to each individual who, on the date of enactment of this Act, is on any employment roll of the Federal Government or of the municipal government of the District of Columbia, as follows—

(A) to such individual for such services so rendered by him, if, on such date of enactment, he (i) is on any such employment roll, (ii) is in the service of the Armed Forces of the United States, or (iii) is retired under any retirement law or retirement system for civilian officers and employees in or under the Federal Government or the municipal government of the District of Columbia; or

(B) to the survivor or survivors, in accordance with the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended (5 U.S.C. 61f-61k), of any such individual (for such services so rendered by him) who has died prior to such date of enactment, if, at the time of his death, such individual was (i) on any such employment roll, (ii) in the service of the Armed Forces of the United States, or (iii) retired under any such retirement law or retirement system.

(2) Payments of increases provided by law in rates of basic compensation which were made for services described in paragraph (1) of this subsection and rendered in the period described in such paragraph, and which would have been authorized under the amendments made by subparagraphs (1) and (4) of subsection (a) of section 101 of this title if such amendments had been in effect at the time such services were rendered in such period, are hereby validated to the same extent as if such amendments had been in effect during such period.

(b) (1) Payments of increases described in paragraph (1) of subsection (a) of this section shall not be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251-2267) in the case of any retired or deceased individual described in subparagraph (A) or (B) of such paragraph (1).

(2) Payments of increases validated by paragraph (2) of such subsection (a) shall be considered as basic salary for purposes of such Act.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

(d) (1) Increases in rates of basic compensation authorized to be paid by paragraph (1) of subsection (a) of this section shall not be held or considered to be annual compensation for the purposes of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091-2103).

(2) Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (a) of this section by reason of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective as of the effective date prescribed for changes in rates of compensation for group life insurance purposes by section 17(d) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 216; Public Law 85-462).

SAVINGS PROVISIONS

SEC. 103. (a) Nothing in this title or in the amendments made by this title shall be held or considered to modify, supersede, or otherwise affect the application and operation of section 24 of title 13 of the United States Code, which contains special provisions with respect to the assignment, promotion, appointment, detail, and other utilization of nontemporary employees of the Bureau of the Census in the Department of Commerce in temporary positions in connection with any census.

(b) Nothing in this title or in the amendment made by this title shall be held or considered to modify, change, or otherwise affect any increase in a saved rate of basic compensation in accordance with the Federal Employees Salary Increase Act of 1960 (part B of title I of the Act of July 1, 1960; 74 Stat. 298; Public Law 86-568).

TITLE II—SALARY PROTECTION FOR POSTAL FIELD SERVICE EMPLOYEES

PROTECTION OF SALARY STANDING OF POSTAL FIELD SERVICE EMPLOYEES

SEC. 201. That part of chapter 45 of title 39 of the United States Code under the heading "Salary Steps and Promotions" is amended by adding at the end thereof the following new section:

"§ 3560. Salary protection

"(a) As used in this section, the term 'salary standing' means—

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule (excluding salary levels PFS, 17, 18, 19, and 20),

"(2) salary for the particular route (including additional compensation for serving heavily patronized routes), with respect to the Rural Carrier Schedule, and

"(3) gross receipts category, with respect to the Fourth-Class Office Schedule.

"(b) Subject to the provisions of subsection (c) of this section, each employee—

"(1) who at any time on or after July 9, 1960, is or was reduced in salary standing;

"(2) who, on the effective date of such reduction in salary standing, holds or held a career appointment or a probational appointment in the postal field service;

"(3) whose reduction in salary standing is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not a condition of his temporary promotion or temporary assignment to a higher salary standing, is not or was not a condition of his temporary appointment, and is not or was not effected in a reduction in force due to lack of funds or curtailment of work;

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with the same salary standing or with the same and higher salary standing; and

"(5) whose performance of work at all times during such period of two years is or was satisfactory;

shall be entitled, as of the effective date of such reduction in salary standing or as of the first day of the first pay period which begins on or after the date of enactment of this section, whichever is later, unless or until he is entitled to receive basic salary at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the effective date of such reduction in salary standing or immediately following the first day of such first pay period, as applicable, to receive the rate of basic salary to which he was entitled immediately prior to such reduction in salary standing (including each increase provided by law in such rate of basic salary) so long as he continues in the postal field service without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

4 PRESERVATION OF BASIC PAY IN DOWNGRADING ACTIONS

"(c) The rate of basic salary to which such employee is entitled under subsection (b) of this section with respect to each reduction in salary standing to which this section applies shall be the lesser of the following:

"(A) the amount of the existing rate of basic salary of the employee immediately prior to the reduction in grade (including each increase provided by law in such rate); or

"(B) the amount of the rate of the salary level or salary range (including each increase provided by law in such rate) to which the employee is reduced, increased by 25 per centum.

"(d) The Postmaster General is authorized to issue regulations to carry out the purposes of this section.

"(e) (1) For the purposes of section 3559(a), the existing basic salary shall be the basic salary which the employee would have received except for the provisions of this section.

"(2) For the purposes of section 3544(h), the basic compensation earned shall be the basic compensation which the employee would have received except for the provisions of this section.

"(f) For the purposes of this section, the term 'curtailment of work' does not include—

- "(1) reductions in class or gross receipts category of any post office, or
- "(2) reductions in route mileage for rural carriers."

CONFORMING AMENDMENT

SEC. 202. That part of the table of contents of chapter 45 of title 39 of the United States Code under the heading "SALARY STEPS AND PROMOTIONS" is amended by inserting

"3560. Salary protection."

immediately below

"3559. Promotions."

[H.R. 4527, 87th Cong., 1st sess.]

A BILL To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 507 of the Classification Act of 1949, as amended (72 Stat. 830; Public Law 85-737; 5 U.S.C. 1107), is amended—

(1) by inserting "(including each increase provided by law in such rate of basic compensation)" immediately following "to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade" in subsections (a) and (b) of such section;

(2) by striking out "and" in paragraph (3) of such subsection (a);

(3) by inserting "and, with respect to each temporary promotion occurring on or after the effective date of this amendment, is not a condition of his temporary promotion to a higher grade" immediately before the semicolon at the end of such paragraph (3); and

(4) by inserting "(including each increase provided by law in such rate)" immediately following "July 1, 1954", wherever occurring in subsection (c) of such section, and immediately before the period at the end of such subsection.

(b) (1) The amendments made by subparagraphs (1) and (4) of subsection (a) of this section shall become effective as of August 23, 1958.

(2) The amendments made by subparagraphs (2) and (3) of such subsection (a) shall become effective on the date of enactment of this Act.

SEC. 2. (a) (1) Except as otherwise provided in paragraph (2) of this subsection, payments of increases provided by law in rates of basic compensation are hereby authorized, and shall be made, in accordance with the amendments made by subparagraphs (1) and (4) of subsection (a) of the first section of this Act to section 507 of the Classification Act of 1949, as amended (5 U.S.C. 1107(a)(1)), and in accordance with other applicable provisions of such section 507, as amended, for services to which the provisions of such section 507, as amended, apply and which were rendered in the period beginning on August 23, 1958, and ending on the date of enactment of this Act, with respect to each individual who, on such date of enactment, is on any employment roll of the Federal Govern-

ment or of the municipal government of the District of Columbia, as follows—

(A) to such individual for such services so rendered by him, if, on such date of enactment, he (i) is on any such employment roll, (ii) is in the service of the Armed Forces of the United States, or (iii) is retired under any retirement law or retirement system for civilian officers and employees in or under the Federal Government or the municipal government of the District of Columbia; or

(B) to the survivor or survivors, in accordance with the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended (5 U.S.C. 61f-61k), of any such individual (for such services so rendered by him) who has died prior to such date of enactment, if, at the time of his death, such individual was (i) on any such employment roll, (ii) in the service of the Armed Forces of the United States, or (iii) retired under any such retirement law or retirement system.

(2) Payments of increases provided by law in rates of basic compensation which were made for services described in paragraph (1) of this subsection and rendered in the period described in such paragraph, and which would have been authorized under the amendments made by subparagraphs (1) and (4) of subsection (a) of the first section of this Act if such amendments had been in effect at the time of such services were rendered in such period, are hereby validated to the same extent as if such amendments had been in effect during such period.

(b) (1) Payments of increases described in paragraph (1) of subsection (a) of this section shall not be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251-2267) in the case of any retired or deceased individual described in subparagraph (A) or (B) of such paragraph (1).

(2) Payments of increases validated by paragraph (2) of such subsection (a) shall be considered as basic salary for purposes of such Act.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

(d) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091-2103), each change in rate of basic compensation by reason of the payment of any increase under paragraph (1) of subsection (a) of this section, and the amendments made by subparagraphs (1) and (4) of subsection (a) of the first section of this Act, covering all or part of the period described in paragraph (1) of subsection (a) of this section, shall be held and considered to be effective as of the date of enactment of this Act, except that a change in rate of basic compensation made in such period by reason of any payment validated by paragraph (2) of subsection (a) of this section shall be held and considered to be effective as of the first day of the first pay period in which the payroll change was approved with respect to such individual.

SEC. 3. Nothing in this Act or in the amendments made by this Act shall be held or considered to modify, supersede, or otherwise affect the application and operation of section 24 of title 13 of the United States Code, which contains special provisions with respect to the assignment, promotion, appointment, detail, and other utilization of nontemporary employees of the Bureau of the Census in the Department of Commerce in temporary positions in connection with any census.

[H.R. 5431, 87th Cong., 1st sess.]

A BILL To amend section 507 of the Classification Act of 1949, as amended, with respect to the preservation of basic compensation in downgrading actions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) (3) of section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended to read as follows:

"(3) whose reduction in grade is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not a condition of his temporary promotion to a higher grade, and is not or was

6 PRESERVATION OF BASIC PAY IN DOWNGRADING ACTIONS

not effected in a reduction in force due to lack of funds or curtailment of work;"

SEC. 2. The amendment made by this Act shall become effective upon enactment, except that employees who held temporary promotions and were reduced in grade before the first day of the first pay period following the date of such enactment shall not be affected by such amendment.

[H.R. 6260, 87th Cong., 1st sess.]

A BILL To amend the Act of August 23, 1958, an Act to clarify the application of section 507 of the Classification Act of 1949 with respect to the preservation of the rates of basic compensation of certain officers or employees in cases involving downgrading actions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of August 23, 1958, an Act to clarify the application of section 507 of the Classification Act of 1949 with respect to the preservation of the rates of basic compensation of certain officers and employees in cases involving downgrading actions (72 Stat. 830; Public Law 85-737), is amended by inserting "(including any increase in such rate of basic compensation provided by law prior to August 23, 1958)" immediately following "to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade" where those words appear in those portions of the section which amend subsections (a) and (b) of section 507 of the Classification Act of 1949, as amended.

SEC. 2. This Act shall be effective as of August 23, 1958.

[H.R. 1813, 87th Cong., 1st sess.]

A BILL To amend section 507 of the Classification Act of 1949 so as to extend in certain cases the provisions of such section which provide salary protection in cases involving downgrading actions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 507(b) of the Classification Act of 1949, as amended (5 U.S.C. 1107(b)), is amended—

(1) by inserting "(1)" immediately following "(b)"; and

(2) by adding at the end thereof the following:

"(2) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this Act—

"(A) who, at any time on or after January 1, 1954, was reduced in grade from any grade of the basic compensation schedule of this Act (other than grade 16, 17, or 18 of the General Schedule);

"(B) whose reduction in grade was not caused by a demotion for personal cause, was not at his own request, and was not effected in a reduction in force due to lack of funds or curtailment of work;

"(C) who, for two continuous years immediately prior to such reduction in grade, served in the same department and in the same grade or in the same and higher grades;

"(D) whose performance at all times during such period of two years was satisfactory or better than satisfactory; and

"(E) who is not within the purview of subsection (a) or (b) of this section,

shall be entitled as of the effective date of such reduction in grade, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the effective date of such reduction in grade, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or a reduction in force due to lack of funds or curtailment of work."

SEC. 2. (a) Retroactive compensation shall be paid, by reason of the first section of this Act, only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of enactment of this Act, except that such retroactive compensation shall be payable—

(1) to an officer or employee who retired during the period beginning on January 1, 1954, and ending on the date of enactment of this Act, for services rendered during such period, and

(2) in accordance with the provisions of the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended (5 U.S.C. 61f-61k), for services rendered during the period described in subparagraph (1) of this subsection, by an officer or employee who dies during such period.

(b) Such retroactive compensation shall not be considered as basic salary for the purposes of the Civil Service Retirement Act in the case of any such retired or deceased officer or employee.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

SEC. 3. For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954 (5 U.S.C. 2091-2103), all changes in rates of basic compensation by reason of this Act shall be held and considered to be effective as of the first day of the first pay period in which the payroll change is approved with respect to such individual, except that all changes in rates of basic compensation by reason of this Act which result from actions taken prior to the date of enactment of this Act shall be held and considered to be effective as of such date of enactment.

Mr. LESINSKI. Two of these bills, H.R. 5398 and 5431, were introduced at the request of the Department of Justice in order to except from present law certain employees who accept temporary promotions with the understanding that they will revert to their permanent grades at the completion of their temporary assignments.

My bill, H.R. 5674, incorporates the provisions of the other bills and in addition provides salary protection for postal field service employees who are reduced to a lower level and generally brings the postal field service employees in line with the Classification Act employees where downgrading occurs.

Several of the provisions of these bills are technical in nature and are proposed in order to clarify existing law and to preserve for those employees who are downgraded the statutory increases in pay provided by law since August 1958.

I shall not now discuss in detail these provisions because I believe their purpose and importance will be covered by the testimony of the witness.

We will now hear from our colleague, Hon. Robert H. Michel of Illinois.

STATEMENT OF HON. ROBERT H. MICHEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. MICHEL. Mr. Chairman and members of the subcommittee, I welcome this opportunity to place in the record of this committee a statement of my views concerning the legislation now under consideration.

The matter of downgrading within the civil service is of great importance both to the Federal Government and to all employees of the Government. It has a direct and significant bearing not only on the efficient and effective operation of the various Federal departments and agencies, but also upon the attitude, morale, and well-being of all employees.

It is my sincere hope that in this examination of the proposed legislation before it on downgrading, the committee will give thoughtful consideration to H.R. 1813, which I introduced on January 4 of this year.

The purpose of my bill is to amend section 507 of the Classification Act so as to extend the coverage of salary protection where downgrading has taken place to certain cases that are not covered by the present law.

In broad terms, downgrading means the reduction in the grade of an employee under the Classification Act due to circumstances over which he has no control and through no fault or shortcoming in his own work.

It is the policy set by Congress through legislation that there should be protection against loss of income under these circumstances. In my judgment this is both a wise policy and an equitable one.

But a law is not always perfect as it is first written. This has been the case of the salary protection provisions dealing with downgrading. Amendments and changes in the original law have been necessary because the original coverage was not extensive enough and because rulings by the Comptroller General restricted the scope of its application and benefits.

It is the purpose of the legislation now before this committee to extend further the coverage in cases of downgrading and to eliminate some of the defects that have appeared in the administration and application of section 507.

It is in line with this purpose that I ask the committee's consideration of H.R. 1813.

Under the conditions where it is now in effect, salary protection in connection with downgrading actions has proved to be a sound and valuable feature of Federal personnel administration. It is, furthermore, a recognition by the Government of the indisputable fact that it has a special responsibility to protect and safeguard the interests of its employees, who cannot strike or bargain collectively on their own behalf as can employees in the private sector of our economy.

There are several convincing arguments that can be presented in support of the more comprehensive salary protection that this legislation is designed to insure. There is, for example, the question of morale. Downgrading, over which an employee had absolutely no control, if accompanied by loss of salary, would obviously have a devastating effect on morale. Not only would the morale of the individual directly concerned be affected, but that of his colleagues would also be severely undermined, for they could see in this sort of action something that could very easily happen to themselves. The reputation and integrity of the Government as an employer is to some extent involved here.

Salary retention in cases of downgrading is advantageous to supervisors as well as to the employees affected. The assurance, as guaranteed by the law, that there will be no loss of salary for 2 years gives administrative officials sufficient time to reassess their work situation and, perhaps, to reassign the employees to positions for which they are better suited and at which their full, original pay will permanently be maintained.

This is surely good administrative practice. It is good for the Government and good for the employees.

Finally, and perhaps of the greatest immediate practical importance, is the fact that any employee who is downgraded without salary protection sustains a severe financial blow. All of us try to adjust our lives to our incomes. For many people this is not easy even under the best of circumstances. For any employee suddenly to find himself and his family deprived, through no fault of his own, of a substantial portion of their income would constitute a hardship of the first magnitude.

Salary protection in cases of downgrading was sound public policy when the idea was first conceived and enacted into law. It is my opinion that the extension of this protection to cover additional employees is also in the public interest.

These are the reasons why I introduced H.R. 1813 and the basis for my hope that this committee will see fit to report favorably on it.

Mr. LESINSKI. This morning we are pleased to hear from various representatives of Federal employees' organizations.

I would first like to call upon Mr. John McCart, legislative representative, American Federation of Government Employees.

Mr. McCart.

STATEMENT OF JOHN McCART, LEGISLATIVE REPRESENTATIVE, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. McCART. Mr. Chairman, my name is John A. McCart, director of legislation, American Federation of Government Employees.

The bills under consideration by this committee today have for their purpose the amendment of section 507 of the Classification Act of 1949, as amended. This section contains the so-called salary-saving provision which prevents loss of salary when an employee's position is reduced in grade.

The bills which are related to the subject of this hearing are H.R. 1813, introduced by Representative Michel; H.R. 4527 and H.R. 5674, by Representative Lesinski; H.R. 5398, by Representative Corbett; H.R. 5431 and H.R. 6260, by Representative Murray; and H.R. 6288, by Representative Corbett. The latter two bills are identical and are understood to embody the recommendations of the Civil Service Commission. We commend the sponsors of these bills for their interest in a situation which requires legislative correction.

The administration as well as the phrasing of the salary retention provision has involved a series of efforts to clarify the basic intent of Congress. A brief résumé of the changing circumstances since this problem was first presented will help to point up the present need for additional legislation.

The first effort to solve this problem of preventing a monetary loss to the employee upon the downgrading of his position was by Civil Service Commission regulation in 1951. When the regulation was later held to be invalid, it was made evident that the solution needed was legislative. Thereupon, Public Law 594 of the 84th Congress, approved June 18, 1956, was enacted.

I might add, Mr. Chairman, that we want to express our appreciation to you for your introduction of that legislation. Its passage was due in no small measure to the very fine efforts you exerted to have it enacted into law.

This law added section 507 to the Classification Act. A decision by the Comptroller General (B-104080, Nov. 29, 1956) stated that "The legislative intent in enacting Public Law 594 appears to have been to avoid the hardship cases resulting from the reduction of the employee's rate of basic compensation where he had been enjoying that rate over a considerable period of time (at least 2 years) and which may have formed the basis of longtime commitments by him."

Public Law 594 was believed to have provided an eminently satisfactory solution. However, its application was soon brought into question by decisions of the Comptroller General, and it became necessary to amend the law. The essential point still involved a determination that a material change of duties or responsibilities had taken place. A decision of the Comptroller General again prevented the application of what was believed to have been the intent of Congress; namely, that salary retention was to be provided without determining if a material change of duties or responsibilities had taken place.

It became necessary to enact Public Law 85-737, approved August 23, 1958. It was believed that this statute had returned salary retention to its original concept. However, the application of this law still raised some doubts concerning the exact amount of the salary which was to be saved. The bills before this committee today are all directed in slightly different ways toward this objective of clarifying this aspect of the salary retention provision.

H.R. 1813 apparently amends the act of applying the salary saving technique to positions having status not indicated in existing law, and bringing within the purview of the proposed amendment actions taken on or before January 1, 1954, 6 months earlier than the beginning date already in the law.

Section 2 deals with the specific manner of payment under such circumstances as retirement or military service, as well as in relation to the Group Life Insurance Act.

The two bills H.R. 5398 and H.R. 5431 are parallel in purpose to the bill H.R. 12336 which Representative Murray sponsored in the last Congress. These bills deal with salary saving when a temporary promotion is involved, and to the extent that they would provide equitable treatment, they have our approval. Salary retention would not be permitted if it had been made clear to an employee upon his promotion to a higher grade that such advancement was to be temporary in duration. We would, of course, insist that the temporary character of the promotion should be made clear at the time it takes place. Perhaps there should be some further wording in the bill or in the regulations that would emphasize this need for proper notification to the employee.

The bill H.R. 5674 is understood to have been introduced by Representative Lesinski to replace his earlier bill, H.R. 4527. We shall, therefore, comment on the later measure, H.R. 5674. This bill deals with several aspects of section 507 of the Classification Act which need clarification. It should be pointed out that the Pay Act of 1960,

Public Law 86-568, approved July 1, 1960, assured the employee in a downgraded position that his retained rate would be augmented by the 1960 pay increase of 7.5 percent. That assurance had not been given in Public Law 85-737. Inasmuch as the provision in the 1960 Pay Act applied only to the increase then authorized, it is necessary to provide statutory assurance that rates which are saved in the future likewise will be augmented by future pay increases.

Section 101 of the bill assures an employee whose salary has been retained that it will include any pay increase granted subsequent to the downgrading of his position.

There is still a matter of applying the principle to the saved rates which did or did not include the increase provided by the classified pay raise in 1958. Section 102(a)(1) provides for the validation of payments which in some instances had been made so as to include the 1958 increase. This bill would legalize such payments, and in cases where they were not made authority would now be granted to make them. This section also provides for payment of such increases under varying circumstances of military service, retirement, and survivorship.

Title 2 of this bill would guarantee to postal field service employees a salary retention procedure similar to that provided for classified employees. We are heartily in favor of such a provision and we endorse this portion of the bill wholeheartedly.

The bills H.R. 6260 and H.R. 6288 contain a similar provision to that in the Lesinski bill in that they would assure an employee whose salary has been saved of benefiting from any increase of basic compensation prior to the enactment of Public Law 85-737.

In closing, Mr. Chairman, we desire to express our appreciation for having the opportunity to discuss these liberalizing amendments to the classification law.

Mr. Chairman, that concludes our formal presentation. We appear to support the intent of the measures now under consideration by the subcommittee. We hope early action will be taken to clarify the application of the existing statute and to extend its application to the postal employees in the Post Office Department.

Mr. LESINSKI. Any questions?

(No response.)

Mr. LESINSKI. We appreciate you being before us this morning, Mr. McCart. Thank you for your presentation.

Mr. LESINSKI. The next witness will be Mr. Vaux Owen, of the National Federation of Federal Employees.

STATEMENT OF VAUX OWEN, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. OWEN. My name is Vaux Owen, president of the National Federation of Federal Employees.

You have a long list of witnesses, Mr. Chairman, and in the interest of saving time I have a brief statement here that I should like to file and ask that it appear in the record as if read.

I do want to say, Mr. Chairman, on behalf of our organization, we appreciate the action of the chairman of this subcommittee in introducing H.R. 5674, which we support in our statement, and we also

appreciate the action of the chairman in requesting the chairman of the House Post Office and Civil Service Committee to appoint a legislative committee to consider these bills and also his action in doing so, and making it possible for us to have this hearing.

Mr. Chairman, we support the provisions of H.R. 5674.

Mr. LESINSKI. Without objection, your statement will be inserted in the record.

Mr. OWEN. Thank you.

(The statement follows:)

STATEMENT OF VAUX OWEN, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

Mr. Chairman and members of the subcommittee. I am Vaux Owen, president of the National Federation of Federal Employees.

On behalf of our organization I urge not only the provision in these bills that subsection (a) (3) of section 507, of the Classification Act of 1949 as amended, be amended with respect to "temporary promotion to a higher grade," but that the additional provisions in H.R. 5674 also be enacted into law.

It would seem that there is a measure of fairness and equity in validating the payments made under Civil Service Commission regulations which have been held by the Comptroller General to be overpayments and payments beyond the authority of the 1958 act. It is significant that the Comptroller General has not sought recovery of overpayments pending action by the Congress on this legislation.

The salary retention benefits now enjoyed by classified employees under the 1958 act would be extended under H.R. 5674 to postal employees. This extension of benefits would be equitable and just under the view that the Federal Government should not withhold from one group of its employees benefits it allows another group of its employees unless there is a compelling reason for doing so. We know of no such reason.

I appreciate the opportunity offered by this subcommittee to present the views of the National Federation of Federal Employees with respect to these bills. I urge favorable action by the subcommittee on H.R. 5674.

Mr. LESINSKI. We will next call Mr. Daniel Jaspán, legislative representative, National Association of Postal Supervisors.

STATEMENT OF DANIEL JASPÁN, LEGISLATIVE REPRESENTATIVE, NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

Mr. JASPÁN. Mr. Chairman, members of the subcommittee. My name is Daniel Jaspán, legislative representative of the National Association of Postal Supervisors. I too have a prepared statement which I will submit for the record. In the interest of saving time, I won't read the whole statement, just highlight it.

First, we want to express our appreciation to you for your interest in downgrading protection through the years. We know it has been your desire to see the Federal employees treated in such a way they wouldn't lose any money, when positions were downgraded, and you have succeeded in the past for everybody except the postal employees.

Mr. LESINSKI. If you remember at the time when we conferred with postal employees there was a difference of opinion. The postal employees were not agreed as to how the postal field service was to be included in this legislation.

Mr. JASPÁN. We realize the reason. We know you have had our interests at heart. One of the bills introduced last session passed the House, but did not go through the Senate on account of the nearness to the closing date. We feel that if that had been acted upon

earlier in this body, we would have had this protection in 1960. We are particularly interested, of course, in title 2 of H.R. 5674. The history of downgrading attempted legislation has been slow. You first introduced H.R. 550, which was sent to the Post Office Department for comment and there was no comment for about a year and a half and they finally said they would accept provisions of it and then you introduced H.R. 12663 in the last session of Congress, to comply with their wishes and that is the bill that passed the House.

Now we are very anxious to have the same kind of protection that the Classification Act employees have had since 1958. We feel that we are entitled to it and our people who have had their positions downgraded are mostly in the lower salary levels, where they feel it the most.

Right now there is a reorganization going on in the Post Office, and many positions in the motor vehicle service will be downgraded.

But we have been promised those people in those positions will have their salaries protected but we will feel much better if it is made mandatory, so they and any others will have legal protection and will be kept in their salaries.

Mr. LESINSKI. At that point, Mr. Jaspán, would you explain to the new members of the committee exactly how the downgrading affects employees?

Mr. JASPÁN. The way it works, now, if an employee—for instance we have the bulk of our employees in level 7—if they are at the top step of level 7, they receive \$6,480. Sometime after they are put into that step, either the compensation officers decide they were put in levels too high or because there had been changes in their duties, they may be reduced to 6 which means their salaries go to \$6,025, which is a considerable cut for those employees.

As you know, a \$6,000 salary is not enough for them to put very much away. They live up to the full extent of it and a cut like that really hurts. Or it may be through a reorganization, like in the motor vehicle section, which the Department has reorganized completely now.

There are several positions which will definitely be downgraded. Dispatchers will go from 7 to 6 in many cases and some of the others also will go into lower levels. Now, if this bill is enacted that means they will continue at their present salaries for 2 years or unless they are reassigned to another position at the same level or promoted. If the bill passes, we feel certain that if the employees' positions are downgraded, the Department will see to it they are put into the position where they will be earning the money they will be receiving. I have been told in some of the departments, under the Classification Act Schedule, there have been fewer downgradings, because the compensation officers are more careful in which steps they put the employees originally.

Mr. LESINSKI. That is precisely the point. You are either qualified or not qualified to go up the ladder. Now from what you say, the effect has been what I hoped it to be, that they will be more careful in upgrading employees, not playing them as a yo-yo up and down. I am very happy to hear that.

Mr. JASPAN. Yes, sir. After all, there is no employee—in fact he wouldn't deserve to work for the Government—who feels he is being paid too much money, regardless of what level or grade he is put in and when he takes a pay cut it really hurts.

In line with what I just said, we feel the cost to the Department would be negligible, because they would be more careful in the original evaluation, and also they would see to it those people whose positions are downgraded would be reassigned very fast, so they would earn the money.

Therefore, the costs would be almost nothing. The Report No. 1984, which accompanied your bill, H.R. 12663, last year, also pointed out the fact if a bill is enacted there would be no additional cost. We concur wholeheartedly in that. We do hope, Mr. Chairman, that the committee, the subcommittee, will act very fast, and report the bill favorably to the full committee, and that it will go through the House as rapidly as it did last year, after you acted. There wasn't much delay on this side.

If we get it through the House, there should not be too much trouble going through the Senate because as I understand it, there is no opposition at all on the side of the administration, particularly the Post Office Department, and in fact I have been told that there are many downgradings pending now which are being held off in the hope this bill will go through, so there won't be even a temporary loss of salary to the people in those positions.

I must say that the Department recently has had a change of heart regarding downgradings. Up to about a year or so ago, when a position called for a downgrading, they were put into the lower levels immediately, and there was no effort made to retain them or reassign them, even though the Postal Manual does state that when there are promotions to be made, the people whose positions have been downgraded should be considered first.

But that isn't always done or hasn't been in the past. We hope it will be.

Mr. Chairman, I appreciate the opportunity of testifying in favor of H.R. 5674 and also your interest in such legislation.

Mr. LESINSKI. We are glad to have you before us today, Mr. Jaspan. Any questions?

Mr. ICHORD. Mr. Chairman, your bill pretty well incorporates the provisions of—which one of the bills now?

Mr. LESINSKI. All of them, I believe.

Thank you, Mr. Jaspan.

(The statement of Mr. Jaspan follows:)

PREPARED STATEMENT OF DANIEL JASPAN, LEGISLATIVE REPRESENTATIVE, NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

Mr. Chairman and members of the subcommittee, my name is Daniel Jaspan. I am the legislative representative of the National Association of Postal Supervisors, composed of more than 25,000 supervisors in the postal field service, including supervisors in the custodial and motor vehicle services.

First, let me express our appreciation to the chairman of this subcommittee for introducing H.R. 5674 and for holding early hearings on the bill. We hope that action will be taken early enough in both Houses this year so that we don't have a recurrence of being so close to achievement and then losing out.

A bill to protect salaries of postal employees whose positions were downgraded through no fault of their own was introduced in the 86th Congress as H.R. 550. After a delay of about a year and a half, the Post Office Department

replied to requests for a report with the information that the bill would be acceptable with certain amendments. Congressman Lesinski introduced a new bill, H.R. 12663, which was written to eliminate the objections of the Post Office Department. That was the bill that passed the House, but did not have any action in the Senate.

It is important to keep in mind that employees under the Classification Act have had the same kind of protection since 1958 when Public Law 85-737 was enacted. We are merely seeking similar salary protection for postal employees. The passage of H.R. 7456 will correct a glaring inequity.

Under present conditions, employees in the postal field service in general, and supervisors in particular, who have had many years of faithful and efficient service, may find that their position levels are reevaluated and reduced through no fault of their own. Either circumstances upon which the evaluation was made have been changed or the Post Office Department decides that the original evaluation was too high. These employees are often in the lower supervisory levels such as 7 or 8. Their salaries are in salary levels so low that practically all they receive must be spent for their normal expenses. A salary cut of \$400-\$500 works a real hardship on them.

At the present time, the motor vehicle service is being reorganized. Many position levels will be downgraded. Although we have been promised that these people will not receive salary cuts and that many of them will be reassigned at their present levels, we will all be more comfortable if a law is enacted to make this action mandatory.

If H.R. 5674 is enacted into law, the above-mentioned employees and others in similar circumstances will continue to receive their present salaries for a period of 2 years unless they are reassigned to another position in the same level or promoted. The bill also provides that those employees whose positions have been downgraded since July 9, 1960, and whose salaries have been reduced will also be afforded the protection of this bill after being restored to their former levels with no retroactive pay. This date is a compromise date as we feel that any postal employees whose salaries have been reduced on account of position downgrading since the enactment of Public Law 85-737 should be restored to their former levels. However, we realize the difficulty of administration in such cases so have agreed to the compromise date of July 9, 1960.

We have also agreed that an employee receiving a temporary promotion and knowing that it is a temporary promotion will not come under the protective features of this bill. This will make the postal service downgrading protection the same as employees under the Classification Act with the passage of this bill.

Report No. 1984, which accompanied H.R. 12663 last year, pointed out that there will be no additional cost if this bill is enacted. We can go even further and suggest that the enactment of the bill will result in savings. We have been told that, since the enactment of Public Law 85-737, relatively few downgradings have been made on account of the original evaluation being too high. The compensation officers will doubtlessly be more careful in their original evaluations to avoid later position downgrading.

Another effect of this bill will be to make it practically compulsory for employees whose positions have been downgraded to be placed in another position of the higher level as soon as there is the opportunity inasmuch as they will be drawing the higher level pay in any case. This is not necessarily being done under the present conditions even though the regulations in the Postal Manual provide for this procedure.

We urge this subcommittee, in the interest of equity and simple justice, to report H.R. 5674 favorably and to press for immediate action both by the full committee and by the House of Representatives in order that we may have similar action by the Senate in order to correct a real inequity in the treatment of postal employees.

Thank you very much for giving me the opportunity to present my statement on behalf of the postal supervisors and other postal employees whose positions have been or will be downgraded.

Mr. LESINSKI. I would like to call Mr. John MacKay, president, and Mr. David Silvergleid, secretary, of the National Postal Union.

STATEMENT OF JOHN W. MacKAY, PRESIDENT, NATIONAL POSTAL UNION, ACCOMPANIED BY DAVID SILVERGLEID, SECRETARY

Mr. MacKAY. Mr. Chairman and members of the subcommittee, my name is John W. MacKay, and I am privileged to serve as president of the National Postal Union located at 509 14th Street NW., Washington, D.C. Our membership consists of approximately 32,000 postal employees affiliated in over 300 local unions throughout the United States, the island of Puerto Rico, and the District of Columbia. Accompanying me is our national secretary-treasurer, David Silvergleid.

We wish to express our sincere gratitude to this committee for holding public hearings on this important legislation affecting postal employees. We are also grateful, Mr. Chairman, for this opportunity to present our views.

We wish to go on record in favor of H.R. 5674 and all other related legislation. By its passage of Public Law 68, during 1955, Congress gave almost unlimited authority to the Postmaster General to write job descriptions. This included newly created jobs in the 15 regional offices, as well as the post offices. Within the postal service we have witnessed management upgrading jobs, and also downgrading jobs. Because of many obvious inequities in Public Law 68 we have gone on record for outright repeal of this obnoxious law. Its adverse effect upon postal employees, Mr. Chairman, makes it necessary to enact a bill along the lines of H.R. 5674.

We have had numerous experiences where employees were placed in a higher level when the law was passed, only to find themselves reduced at a later date. It is the policy of the Post Office Department to reevaluate positions every year. The surveys have been conducted by the personnel officer in each regional office, and frequently resulted in downgradings. The employees who were downgraded usually had between 25 to 35 years of service and, through no fault of their own, were downgraded without any change in their work assignments. The passage of this legislation, Mr. Chairman, will correct this serious injustice.

However, we feel H.R. 5674 does not go far enough in protecting postal employees in the lower pay levels. The Post Office Department has interpreted Public Law 68 as to require an employee to perform 50 percent or more of his highest skill to be placed in a higher level. This has enabled the Department to inequitably downgrade many positions. We suggest section 961(b) of chapter 25 of title 39 of the United States Code, which this measure seeks to amend, be amended by adding after the word "performance" the following:

Employees shall be ranked on the basis of the highest skill or knowledge required in their respective positions.

As previously stated, the Postmaster General has been given complete discretion to rank positions on the principle of equal pay for substantially equal work. In actual practice, this has frequently worked against employees in positions where a high degree of skill or knowledge may be required for a limited period of time. We believe all positions should be ranked on the basis of the highest skill or knowledge required.

H.R. 5674 protects an employee from loss of pay for a period of time when his position is downgraded. The same principle should work in reverse. We request your consideration of an amendment which will amend section 964(b) of chapter 25 of title 39 of the United States Code to eliminate the requirement of a preliminary 30 days' service in any calendar year in a higher salary level before being entitled to receive the higher level pay. We believe Congress intended that positions of greater responsibility should pay more and we contend employees should be paid for all time performed in such jobs. Members of this committee in 1960 supported changing the 30 days to 5 days, but the legislation was lost in the closing days of the session.

In order to prevent downgrading we further recommend that section 992 of chapter 25 be amended to provide that—

any employee who is promoted or transferred to a position in a higher salary level shall advance to the same step in the higher level which he occupied in the level from which he is promoted.

This is necessary to correct the inequitable situation where an employee who receives a promotion at the present time and under the present law gets only a nominal increase in pay. Frequently, his salary is temporarily set at a lower rate than employees in lower levels of the postal field service schedule.

Mr. LESINSKI. At that point, Mr. MacKay, would I be correct if I were to state that your proposal could be taken care of by amending Public Law 68?

Mr. MACKAY. Yes, sir; that is correct.

Since the enactment of Public Law 68 many postal jobs have been downgraded. When this happens the employee must bid on another job or vacancy. Therefore, we believe all positions below supervisory levels should be posted for bid so that the senior qualified bidder regardless of current level, is given the opportunity to qualify for the vacancy. Department regulations now provide higher level positions shall be made available to the best qualified employee rather than to the senior qualified. Under this procedure we find a downgraded senior employee unable to regain his level because a junior employee has been promoted.

In conclusion, we commend the committee and yourself for initiating action to correct some of the injustices confronting postal employees relating to the Reclassification Act passed in 1955. Many of these changes have been long overdue. It has been our hope that the House Post Office and Civil Service Committee would hold hearings on H.R. 2037, introduced by Congressman Joseph E. Karth, to rewrite Public Law 68 instead of eliminating the inequities piecemeal. We thank you for this opportunity to testify, and we are looking forward to your legislation becoming law.

Now, Mr. Chairman, if I may, with your permission, I would like to introduce our national secretary-treasurer, Mr. David Silvergleid, and ask that he submit for the record a typical example of the downgrading we have experienced as of very recent date.

Mr. LESINSKI. Without objection, he may present his statement.

Mr. SILVERGLEID. Mr. Chairman, as a matter of fact I received this correspondence this morning. It involves a situation in the Jersey City, N.J., post office that I believe is spreading throughout that whole Pennsylvania—Philadelphia and Jersey region. This involves

18 custodial laborers, who are in level 2. And under date of April 5, they received the following notice from the Post Office Department:

This is to inform you of a proposed change in your official title and salary level. A study of the duties you perform—

and they have been performing these duties over a period of 4 or 5 years—

and a review of position descriptions reveal you are presently performing the duties of a janitor's position, PFS level 1. It is proposed to reassign you with a change to lower level from your present designation as custodial laborer, PFS level 2, to janitor, PFS level 1, to conform with departmental regulations in ranking of positions according to the duties and responsibilities involved.

Now PFS level 2 which they have held these past years has a salary range of \$3,670 to \$4,480. PFS level 1, to which they propose to reassign them, has a salary range of \$3,415 to \$4,195, a proposed reduction of approximately \$250 a year, fourth lowest paid postal employees in the service.

Now this whole approach is predicated on a job description, which is written by the Post Office Department. Presumably it refers to a key position, which is in Public Law 68 and because this new job description provides that the level 2 people must operate a variety of power-driven equipment, such as floor scrubbers, sanders, waxers, and so on, and these people apparently don't, and therefore they are now going to be downgraded to a level 1 position. Ironically the regional director in this situation reveals the fact that the supervisors in the custodial force are handling this power-driven equipment which leads one to the conclusion instead of performing supervisory duties, they are now performing janitorial or custodial duties. However, we cite this, Mr. Chairman, as an instance of how far this situation can go with respect to downgrading people, who today aren't earning a reasonable salary wage. And I concur, Mr. Chairman, in the sentiments that have been expressed by President MacKay and other witnesses, that you have been personally aware of this situation now for some time and we are very sincerely appreciative of everything you have done to try to bring about an alleviation of a situation that has been very harmful to a good many of our people in the postal service.

Mr. LESINSKI. I appreciate that, Mr. Silvergleid. I have one question for clarification. I want to make sure I have your intent. These custodial employees were put in level 2 when?

Mr. SILVERGLEID. On their appointment to the service conceivably some of them were—

Mr. LESINSKI. Four or five years ago.

Mr. SILVERGLEID (continuing). On the job prior to Public Law 68.

Mr. LESINSKI. At the time of their appointment, did they operate this equipment you mentioned?

Mr. SILVERGLEID. I would say, I would assume they did not at the time they were put into a level 2 position.

Mr. LESINSKI. That is what I am driving at. They should have been put originally in level 1.

Mr. SILVERGLEID. That is right, if their job description is the controlling factor and I want to emphasize that again, that these job descriptions are being prepared by the Post Office Department and there is no control other than appeal to the Civil Service Commission.

Mr. LESINSKI. The job description was changed or initiated or let's say was put through when?

Mr. SILVERGLEID. Let me see—there should be a date on this; September 19, 1955.

Mr. LESINSKI. 1955?

Mr. SILVERGLEID. Yes.

Mr. LESINSKI. So they were put in the wrong job in the first place?

Mr. SILVERGLEID. What did you say?

Mr. LESINSKI. In other words, they were put in the wrong position in the first place?

Mr. SILVERGLEID. Presumably they were, except for this fact, that there are at least 9 or 10 subtitles here which provide for the type of employment these people will be required to do. I am advised in this letter that these people do all of these jobs, and the only reason that they don't perform with these mechanical devices is because they are not made available to them. They need them. The Jersey City post office, incidentally, is a fairly large station and I imagine they may have this equipment on order.

Now considering that these people were put into a level 2, back in 1955, or the beginning of 1956, and this job description has been in effect since September 19, 1955, doesn't it seem a bit peculiar it took almost 6 years for somebody to discover they were not in the proper level?

Mr. LESINSKI. I am happy to hear from Mr. Jaspan and others that we are being more practical about the appointments today.

Mr. SILVERGLEID. Well, unfortunately—I heard that remark, and I was immediately struck by the very obvious fact that their practicality cannot be immediate, because this letter is dated April 5.

Mr. LESINSKI. But the point is they are making a better attempt to place the people in the correct position.

Mr. SILVERGLEID. I would like the record to show, Mr. Chairman, because I discussed this only yesterday afternoon at the Department, we have requested they consider refilling these level 1 positions by attrition. They have done that in the past I believe and we are hopeful they will concur in this instance. But I believe the committee, and particularly you, Mr. Chairman, in introducing this bill, are trying to safeguard the rights of people like this for at least 2 years, so they can advance into their original positions.

Mr. LESINSKI. Any questions?

Mr. DERWINSKI. Mr. Chairman, in view of the fact that this material is going to be submitted for our records here, I would suggest that verification of the details discussed be obtained. In other words, many of your statements are based on premise and observation rather than absolute fact and I think we want to keep our records clear and we should permit the gentlemen to submit any additional matter that clarifies this.

Mr. SILVERGLEID. May I, Mr. Chairman, because as I say, I received this this morning and I would like to make photostats to submit, so I can have these in my possession.

Mr. LESINSKI. In all fairness to Mr. Silvergleid, the original documents from which you were reading may be copied and you may submit the copies to the committee later.

20 PRESERVATION OF BASIC PAY IN DOWNGRADING ACTIONS

(The documents follow:)

U.S. GOVERNMENT MEMORANDUM

POST OFFICE DEPARTMENT,
April 5, 1961.

Subject: Reassignment and change to lower level.

From: Postmaster.

To: Mr. _____.

This is to inform you of a proposed change in your official title and salary level.

A study of the duties you perform and a review of position descriptions reveal you are presently performing the duties of a janitor's position PFS level 1.

It is proposed to reassign you with a change to lower level from your present designation as custodial laborer PFS level 2 to janitor PFS level 1, to conform with departmental regulations in ranking positions according to the duties and responsibilities involved.

This notice fulfills the requirements of section 14 of the Veterans' Preference Act. It is given you at least 30 days in advance of the effective date of the proposed action.

It is not necessary that you answer this letter, but, if you wish to answer it, you have a right to do so personally and/or in writing and to furnish affidavits in support of your answer.

You will have 5 days from the receipt of this letter within which to reply. If you need additional time, your application to me in writing showing the necessity will be considered. After the expiration of this period all the facts, including your reply and affidavits, if any, will be given careful consideration and you will be advised of the decision reached. This notice does not make any change in your active duty status.

_____, Postmaster.

Standard Position Descriptions

Chapter C
Standard Position 6-13

POSTAL FIELD SERVICE

Title: Laborer, Custodial
Key Position Reference No. 2

Salary Level: PFS-2

BASIC FUNCTION.—Performs manual labor in connection with maintenance and cleaning of the buildings and grounds of a postal facility; assists in firing low pressure boiler and in making minor repairs to the building and equipment.

DUTIES AND RESPONSIBILITIES.—

(A) Performs a combination of any of the following:

(i) Makes or assists in making minor maintenance repairs to building and equipment.

(ii) In smaller buildings assists the fireman-laborer in firing the boiler; in firemen-laborer's absence fires and cleans the boiler.

(iii) Operates a variety of power-driven equipment such as floor scrubbers, floor sanders, waxers, and wall washers; adjust brushes, buffers and other attachments on machines; uses wax, polish and other protective agents appropriate for the various surfaces; washes walls and ceilings from scaffolding.

(iv) Performs general laboring duties such as uncrating and assembling furniture and fixtures using bolts and screws for assembly, loading and unloading supplies and equipment.

(v) Performs janitorial duties such as cleaning, scrubbing, waxing, and polishing floors; washes walls and ceiling; dusts furniture and fixtures; cleans hardware and toilet fixtures; washes windows; cares for lawns and shrubs; cleans sidewalks and driveways and removes ashes, snow and ice.

(B) In addition, may perform other duties such as the following:

(i) Operates elevator.

(ii) Stacks supplies in storage rooms and on shelves.

(iii) Moves furniture and equipment.

ORGANIZATIONAL RELATIONSHIPS.—Reports to a foreman or other designated supervisor.

Key Position Descriptions

Chapter B
Key Position 1

JANITOR—LEVEL 1

BASIC FUNCTION.—Cleans, sweeps, and removes trash from work areas, lobbies, and washrooms.

DUTIES AND RESPONSIBILITIES.—

(A) Sweeps and scrubs floors and stairs, dusts furniture and fixtures, cleans washrooms and washes windows (except exterior glass in high buildings).

(B) Moves furniture and helps erect equipment and fixtures within offices of the building.

(C) In addition, may perform any of the following duties:

(i) Cleans ice and snow from the sidewalks and driveways, and tends the lawn, shrubbery, and premises of the post office.

(ii) Washes walls and ceilings.

ORGANIZATIONAL RELATIONSHIPS.—Reports to a foreman or other designated supervisor.

Mr. DERWINSKI. Do I understand correctly, sir, it is your assumption the reason these men were downgraded is that the mechanical equipment wasn't available for them to work with or they are not trained to work with it?

Mr. SILVERGLEID. They are capable of working them, they are simple devices, but the information that is furnished me by our local president, is that firstly—

allow us to say the lack of a proper Post Office Department variety of power-driven equipment is not the fault of the employees. We certainly should have and can use all of the equipment enumerated.

In other words, it hasn't been made available to the Jersey City post office.

Mr. DERWINSKI. It is your assumption then that, should this equipment be made available, these men are in the position to operate it efficiently?

Mr. SILVERGLEID. Oh, yes, definitely. I believe they would be competent to operate it.

Mr. LESINSKI. Thank you for your testimony. We appreciate it very much.

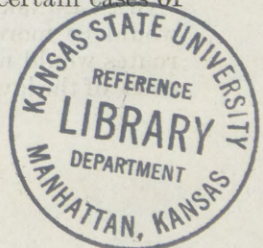
The next witnesses will be Mr. Tommy M. Martin, president, and Mr. John Emeigh, secretary, of the National Rural Letter Carriers' Association.

STATEMENTS OF TOMMY M. MARTIN, PRESIDENT, AND JOHN EMEIGH, SECRETARY, NATIONAL RURAL LETTER CARRIERS' ASSOCIATION

Mr. MARTIN. Mr. Chairman, we have a rather brief prepared statement which I would like to read, if I may.

My name is Tommy M. Martin. I am president of the National Rural Letter Carriers' Association, an organization composed of 38,383 regular, substitute, temporary, and retired rural carriers.

We are pleased to appear before this subcommittee and express the views of our organization on H.R. 5674, a bill which would provide salary protection for postal field service employees in certain cases of reduction in salary.



We wish to express our appreciation to Representative John Lesinski, chairman of this subcommittee, for the introduction of this bill. We also appreciate the naming of the subcommittee by Representative Tom Murray, chairman of the full committee, and the scheduling of these hearings in order that this desirable protection, similar to that already accorded to employees under the Classification Act and wage boards, would be considered for postal employees.

H.R. 5674 will protect the salary standing of rural carriers in cases where they may be subjected to reduction in route mileage, arbitrarily reassigned, and—in cases of carriers on heavily patronized routes—when service adjustments might otherwise result in salary loss.

These protections are very important to those who may have incurred fixed financial obligations which it may be difficult to readjust to conform to a reduced income, and to others who find themselves subjected to reduction in salary standing just prior to retirement, which under present law adversely affects their earned annuity.

The 2-year protection which would be granted by this legislation would provide an important "cushion" and permit the employee to adjust to the salary change incident to a reduction in mileage, arbitrary reassignment or heavy-duty compensation changes. The NRLCA supports this bill in order to provide salary protection in these cases.

We trust that the subcommittee may be able to act favorably on the bill, that it will be approved by the full committee and enacted by the House.

Mr. LESINSKI. For the benefit of the new members, would you explain the difference between the so-called heavy duty rural routes and the others, and explain the distances involved and so forth?

Mr. MARTIN. I will ask Mr. Emeigh to explain that.

Mr. EMEIGH. For certain routes, up to 61 miles in length, Mr. Chairman, the Post Office Department under present law is permitted to grant to the carrier on that route an additional amount of money which is known as heavy-duty compensation. This is to provide a monetary return to the person involved for the work which is actually being performed.

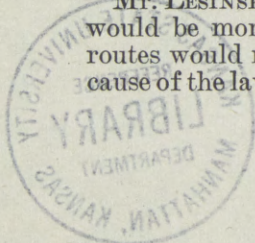
In our suburban areas it is frequently rather impractical at any given moment to adjust a route, to take away workload, and for this reason they grant additional compensation, which in a sense is a type of overtime pay for overtime work.

We have the situation arise where it may then become practical to make a very serious service adjustment in that area and under the present law it is possible that the salary of the carrier would be reduced by a very large amount of money, perhaps \$800 to \$1,000 per year.

The Post Office Department, however, I might add, by policy, tries to not make such changes which would result in such serious downgrading or salary losses. However, this is only a policy matter which does not carry any protection of law and your bill, Mr. Chairman, would actually set forth in law a policy which is presently being followed.

We believe it is highly desirable.

Mr. LESINSKI. Could I say this, in all fairness, that the Department would be more prone to reevaluate the routes more often, or these routes would not be as permanent as they are at the present time because of the law.



Mr. EMEIGH. I think the effect of the downgrading action would be to give more serious consideration, yes, sir.

Mr. LESINSKI. The point is that the fact that the rural carrier, his routes, are gradually being extended, and of course he is compensated for it, and all of a sudden he is cut down and this would force the Department to act quicker on those routes.

Mr. EMEIGH. I think you are right, Mr. Chairman.

Mr. ICHORD. There are very few cases where this happens.

Mr. EMEIGH. Very few, yes.

Mr. LESINSKI. Thank you for your statement. We appreciate it very much.

The next witness will be Mr. Roy North, legislative representative, National Association of Postmasters of the United States, and the former postmaster here in Washington, D.C.

Mr. North?

**STATEMENT OF ROY M. NORTH, LEGISLATIVE REPRESENTATIVE,
NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED
STATES**

Mr. NORTH. I am submitting a statement, Mr. Chairman, and to save time may I just refer to excerpts from it?

Mr. LESINSKI. Yes, you may.

Mr. NORTH. My name is Roy M. North and I am legislative representative, National Association of Postmasters. I would like to say, Mr. Chairman, it is always a pleasure to appear before you in the interest of beneficial legislation for postal employees. Your efforts on their behalf have been most effective for which we are grateful.

We also want to express our appreciation to the other members of your Finance Committee for their friendship and cooperation. We support the measures before you today, but your bill, Mr. Chairman, H.R. 5674 also carries title II, covering protection of salary standing of postal field employees. We are addressing our remarks in this statement principally to that bill which provides for treatment of postal employees similar to that given employees under the Classification Act.

This will mean much to postmasters in smaller communities and who now under the law may be downgraded through no fault of their own, through reduction in receipts, while in such cases, the volume of work probably remains the same.

Again the work is the same, but they suffer this downgrading, which means a lot to the postmaster in a small post office.

Mr. LESINSKI. Are you talking about the fourth-class post offices? Or both?

Mr. NORTH. I am talking about both third and fourth, Mr. Chairman. For instance, if one office has receipts for \$1,500 to \$8,000 per annum, it is termed third class and when revenue drops below \$1,500 it is relegated to fourth class.

However, there is a saving provision under section 303(g), of Public Law 68, where the status of third class is retained for 2 years, with receipts of \$1,400 to \$1,500, but less than \$1,400 in any one year, means relegation to fourth class.

Now, it may be during a period of temporary business recession that this office drops to less than \$1,400. And under this bill, this postmaster retains his class and salary standing for a period of 2 years, and in the meantime business may be increased to the extent he will be restored to his former status.

We have a lot of such cases and postmasters resent relegation to fourth class; they take pride in the third-class category or status and we think this measure is splendid for protection against downgrading.

Fourth-class offices, of course, receive their salary based entirely upon receipts and under Public Law 426, they must suffer a reduction of receipts, gross receipts, rather than adjusted, below the dividing line, before they are downgraded.

However, we do have such situations and again it is a source of quite a bit of embarrassment to these postmasters, whose work continues, but who are downgraded in salary standing.

We think this bill is a splendid piece of legislation, and it is in recognition of the dedicated and efficient service of these postal workers.

We heartily recommend this legislation for favorable consideration.

Mr. LESINSKI. Thank you, Mr. North.

Any questions?

Mr. ICHORD. Mr. North, could you give the committee some idea of how many post offices were reduced from third class to fourth class during the last year?

Mr. NORTH. I don't have the figures with me, Mr. Ichord. But I am sure it is not a great number. But we do have the situation where they are reduced in class and as I said again, it is quite a bit of embarrassment to the postmaster. He takes pride in his status as third class, and this bill would alleviate that situation.

Mr. ICHORD. How many postmasters each year do you think will be affected by this bill?

Mr. NORTH. I think there would be several hundred affected, Mr. Ichord, in both the fourth-class and third-class categories.

Mr. ICHORD. Thank you.

Mr. LESINSKI. Mr. Derwinski?

Mr. DERWINSKI. Yes.

You cite here an example of a postmaster whose office is absorbed by a larger station and he becomes a superintendent or the equivalent.

I am asking this for my personal information as a new member of the committee seeking education on post office operations.

In a situation where a career post office employee has been appointed an acting postmaster, and due to the change of administration, which is certainly beyond his control, he is then returned to his previous position, does he have any protection under this?

Mr. NORTH. No, sir, he does not, Mr. Derwinski, because this bill does not cover what is termed temporary employees. An acting postmaster is considered a temporary assignment.

Mr. DERWINSKI. I am discussing this for the purpose of record now. If you were thinking in terms of equity, many of the statements here base their argument on equity, the morale and good spirit of post office employees. I would think that equity, and the desire to have effective spirit and cooperation in the postal system, would at

least lead us to think about these situations, where a career employee received a temporary postmaster position, entirely on merit, and then finds himself the innocent victim of an administrative change.

Don't you think at least in equity there should be some thought given to protecting this type of person?

Mr. NORTH. I suppose there would be argument both ways, Mr. Derwinski, but this is a temporary job—a temporary assignment, and so understood.

Mr. LESINSKI. At that point may I say the employee has an understanding it is temporary, therefore he does not come under what is in this bill?

Mr. NORTH. That is right.

Mr. LESINSKI. In other words, it is a preunderstanding he is taking this job temporarily and therefore the law does not reply to him, or rather if this bill passes, it shall not reply to him.

Any further questions?

(No response.)

Mr. LESINSKI. Thank you, Mr. North, for your testimony here today.

(Mr. North's statement in full follows:)

STATEMENT OF ROY M. NORTH, LEGISLATIVE REPRESENTATIVE, NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED STATES

Mr. Chairman and members of the committee: My name is Roy M. North and I am legislative representative of the National Association of Postmasters of the United States.

Our association, which had its first meeting in 1898, the only group of its kind composed entirely of postmasters, has more than 32,000 members, or 96 percent of the postmasters of the Nation.

It is always a pleasure, Mr. Chairman, to appear before you in the interest of beneficial legislation to postal employees. Your efforts in their behalf have been most effective, for which we are grateful. We also want to express our appreciation to the other members of your fine committee for their friendship and cooperation.

We support the measures before you today having to do with clarification of the Classification Act of 1949, as amended. All of them are similar in further amendment of this act, but the bill introduced by you, Mr. Chairman, H.R. 5674, also carriers title II, covering protection of salary standing in postal field service employees. We are therefore addressing our remarks to the provisions of this measure.

The purpose of this bill, as we understand it, is to provide for postal field service employees protection from reduction in salary standing reasonably similar to the so-called downgrading protection afforded by the Classification Act of 1949, as amended, for employees subject to that act.

This legislation states that such reduction must not be caused by a demotion for personal cause, or at the employee's request. Nor will this benefit accrue in the case of a temporary promotion or assignment to a higher salary standing. It is further provided also that these changes must not be effected by reduction in force due to lack of funds or curtailment of work. However, the term "curtailment of work" is later stipulated in the bill as not including "reductions in class or gross receipts category of any post office."

While there were no announced hearings on the subject, it seems that the general features of this bill were approved in the last Congress and this new bill, therefore, brings into scope of this protection employees who on or after July 9, 1960, were reduced in salary standing. While the pay is not retroactive, the benefit is prospective, becoming effective after enactment into law.

The legislation embodied in H.R. 5674 will mean much to postmasters, particularly those in the third- and fourth-class categories.

For example, when an office has receipts of \$1,500 to \$8,000 per annum, it is termed third-class. When revenues drop below \$1,500 it is normally relegated to fourth class. However, there is a savings provision under section 303(g) of

Public Law 68, where the status of third-class is retained for 2 years with receipts of \$1,400 to \$1,500, but less than \$1,400 in any one year means relegation.

During a period of temporary business recession, an office may drop from \$1,500 to less than \$1,400. Under this bill, such an office would retain its class and salary standing for a period of 2 years. A business recovery in the community in the meantime would restore the office to its former status. There is a great deal of pride in the service against relegation to the fourth class and the situations result from no fault of the postmaster.

In the fourth-class office schedule, under section 211 of Public Law 426, an office must drop below the dividing line between salary categories in gross, rather than adjusted receipts before relegation to the lower pay bracket. However, this does happen and again through no fault of the postmaster. He would be protected for a period of 2 years under this measure.

There is also occasion when an office is absorbed by a larger nearby office and the postmaster is made superintendent of the station or branch established as replacement. He usually suffers a drop of one level in pay. This legislation likewise will continue his former pay for a period of 2 years.

We feel that these benefits of H.R. 5674 are merited by these dedicated postal workers and we earnestly recommend your favorable consideration.

Again, thanks for the opportunity of submitting this testimony.

Mr. LESINSKI. The next witness is Mr. Paul Nagle, president of the National Postal Transport Association.

STATEMENT OF PAUL NAGLE, PRESIDENT, NATIONAL POSTAL TRANSPORT ASSOCIATION

Mr. NAGLE. My name is Paul A. Nagle, president of the National Postal Transport Association and I would like to request, Mr. Chairman, that the courtesy previously made available to the preceding witnesses now be extended also to me and that I be allowed to insert my statement at this point in the record and comment upon it.

Mr. LESINSKI. Without objection, it is so ordered.

(The full statement of Mr. Nagle follows:)

STATEMENT OF PAUL A. NAGLE, PRESIDENT, NATIONAL POSTAL TRANSPORT ASSOCIATION

Mr. Chairman and members of the committee, my name is Paul A. Nagle. I am president of the National Postal Transport Association, an organization representing postal clerks performing duty in railway post office cars, highway post office vehicles, airport mail facilities, and in railway terminal facilities associated with many of the Nation's larger post offices.

I appear before you this morning to express support by the National Postal Transport Association for H.R. 5674 which would extend to postal field service employees, the protection of salary standing in the event of downgrading action.

The National Postal Transport Association is grateful to this distinguished subcommittee and especially to its honorable chairman, Congressman John Lesinski, of Michigan, who has sponsored H.R. 5674. We believe the purpose of H.R. 5674 and other bills before you is highly laudable. Our attention is being directed to H.R. 5674 because this is the only bill specifically applying to the membership of the National Postal Transport Association.

The transportation revolution has had a very severe impact on the members of the National Postal Transport Association because in recent years there has been a sharp decline in the number of railway post office trains which have been operated, and the Post Office Department has been most conservative in replacing withdrawn railway post offices with highway post office vehicles.

In January 1960, the Post Office Department reorganized internally and placed former Postal Transportation Service installations under the jurisdiction of local postmasters.

On July 23, 1960, the Post Office Department placed mobile units under the jurisdiction of local postmasters. The National Postal Transport Association believes that separate control of mobile units is warranted and should be

reinstated. However that may be, our presentation here, in regard to administrative control of various postal installations has been advanced for the sole purpose of illuminating the attitude of the National Postal Transportation Association in regard to the specific legislation, H.R. 5674.

Mr. Chairman, had the mobile units been continued as separate operations under distinctly different administrative control than that of the various postmasters, it would have been necessary to request that section 201 be amended by inserting after line 15, on page 10, the stipulation that curtailment of work would also exclude curtailments of railway or highway post office routes.

In view of the reorganization of July 23, 1960, the National Postal Transport Association has been assured that within the intent of H.R. 5674, employees in mobile units would be protected from downgrading action unless there had actually been concurrent reduction in the workload at the post office to which they might be rostered.

In view of the fact that whenever a mobile unit is curtailed, it is necessary to assign the distribution previously performed in such units to stationary installations, the likelihood of a simultaneous curtailment both in the mobile unit and the post office controlling that unit is extremely slight.

The National Postal Transport Association wants the legislative history of H.R. 5674 specifically to show that protection of the status of mobile unit employees is clearly intended by the bill. We accept the reality that under the prevailing methods of administrative control of mobile units, it may be inappropriate to amend H.R. 5674, especially to identify mobile unit personnel. Accordingly, we make no such recommendation, but we do plead with this distinguished subcommittee to cause to have inserted in what we trust will be a favorable report on H.R. 5674, a declaration that protection of mobile unit employees expressly is intended.

Mr. Chairman, the National Postal Transport Association is indebted to you and to the members of your distinguished subcommittee for the attention it is directing to a very vital aspect of the Federal employment problem, and we hope your deliberations may be concluded with approval of the legislation before you.

Mr. NAGLE. Thank you, Mr. Chairman. I think perhaps one of the most exciting things said here this morning is the prediction made by at least one previous witness, that the Post Office Department would support this legislation and may in fact be temperate in any pending actions pending the approval of this bill in the Congress of the United States.

I hope this is true, and I have some feeling it may be, because a few days ago Deputy Postmaster General Brawley made a very fine public statement about the attitude of the Post Office Department toward its employees, and he said at that time that the Post Office Department is more concerned for the fine employees it does have than for the fine machines it might have.

And since this is a personnel matter we are concerned with here, I hope this statement of philosophy can be projected into the Post Office Department attitude toward this bill when, I understand, the Department expresses itself on this coming Monday.

We in the National Postal Transport Association, representing railway mail clerks, and so forth, of the Post Office Department, are more gravely beset perhaps than any other group of employees by the threat of downgrading.

You will recall, Mr. Chairman, in the days prior to your actual introduction of this bill, I discussed with you and members of your staff the possible language that might be incorporated in H.R. 5674, to insure that our people would have the protection which we believe they need and to which we think they are entitled.

The reason we have this most severe exposure to potential downgrading is that the transportation revolution in which we are living today affects the members of the National Postal Transport Association more severely than any group.

In the years just past, we have had aggravated curtailment of railway post office service and limited reinstatement of it by highway service. As a result, the number of people engaged in railway post office service has been materially reduced. And with each such reduction, the fact that mobile unit employees are in level 5 exposes them to a reduction and to potential placement in level 4 of the Postal Field Service Classification Act and consequently I had intended to recommend and to request that H.R. 5674 incorporate in its original language a declaration that curtailment of railway and highway post office service would not itself constitute a curtailment of service within the sense that exemption from the antidowngrading provisions of H.R. 5674 would apply.

In January of 1960 the Post Office Department placed all terminal and airport mail facilities under the jurisdiction of postmasters. On July 23, 1960, all mobile units were placed under the jurisdiction of postmasters. We are told since the mobile unit employees are under the jurisdiction of the postmasters, that it is the position of the Post Office Department that downgrading action and curtailment of force would not be declared to operate unless there was in fact a reduction in the volume of mail handled by the post office having jurisdiction over the particular mobile unit.

Now in view of the reality of things, whenever distribution is withdrawn from a mobile unit and placed in a post office, the volume of work, within the walls of the post office, must necessarily increase, and therefore the threat of such an actual curtailment is relatively slim.

So we are not making a recommendation for amendment of H.R. 5674. We believe that centralized control of mobile units is desirable. We think this should be reinstated. However, we feel that the operation as it now stands takes our people out from under the possibility of downgrading action under the curtailment features of 5674 and we hope that the legislative history of H.R. 5674 will show this to be true. We hope the statement of the Post Office Department on Monday will reflect this condition, and I certainly hope now that my declaration of my understanding from the Post Office Department in this regard will constitute an addition to the legislative history of this bill so that when it shall become law it is the express understanding of the legislators that curtailment of railway post office or highway post office service, does not itself constitute a curtailment in force removing its people affected by such action from the protection of H.R. 5674.

This, Mr. Chairman, is our basic position. We are gratified indeed we are about to have statutory protection, we believe, for people who may be exposed to this type of downgrading action. We compliment you on introducing this bill and express gratitude to you and the members of the subcommittee for your interest in this matter.

Mr. LESINSKI. We are glad to have your statement, Mr. Nagle.

I found through my contacts with the RPO and HPO, very dedicated men, as is generally true in all departments of the Government. I appreciate very much your statement.

Any questions?

Mr. ICHORD. No, sir.

Mr. LESINSKI. Mr. Derwinski?

Mr. DERWINSKI. Mr. Nagle, wasn't your organization subject to a merger just recently?

Mr. NAGLE. Yes, sir; we have been participating in merger discussions and we consummated a merger action with what was, last week, the National Federation of Post Office Clerks, the United National Association of Post Office Craftsmen and the United Postal Workers. We have been participating in four-way merger talks and in unanimous action this past Tuesday afternoon, the 18th of April, we approved the merger, so that as soon as our members approve by affirmation of the action taken, we will become the United Federation of Postal Clerks.

Mr. DERWINSKI. Just as a matter of curiosity, when you merge various organizations of this type, do you not find it necessary to, for purposes of streamlining and eliminating possible duplicated operations; don't you in effect downgrade men in active positions in your organization?

Mr. NAGLE. That is a very personal inquiry, Mr. Derwinski. Of course, I myself am being downgraded by the action, because I am president of my own union, but in the combined union, I will become third or fourth ranking officer.

This is true, it is a downgrading procedure for me personally but it is in the interest of our general membership.

Mr. DERWINSKI. I was just curious to check that point.

Mr. NAGLE. Thank you, sir.

Mr. LESINSKI. Is Mr. Cobb in the audience?

STATEMENT OF CHARLES BRAXTON, LEGISLATIVE DIRECTOR, NATIONAL ALLIANCE OF POSTAL EMPLOYEES

Mr. BRAXTON. Mr. Chairman and members of the subcommittee, on behalf of Mr. Cobb, who had to go out of town, to Beaumont, Tex., we wish to express his regret in not being able to appear before you. However, we do wish to submit a statement for the record and, if I may, with your indulgence, make just a brief comment.

Mr. LESINSKI. Proceed.

Mr. BRAXTON. I am Charles Braxton, the legislative director of the National Alliance of Postal Employees?

We do find the proposed legislation most urgent and most necessary. We have been faced with several very tragic situations developing under the downgrading process, which we outline in our statement. And we do hope you will give serious and urgent attention to this matter.

Thank you very much.

Mr. LESINSKI. Mr. Braxton, I appreciate your testimony. I would like to ask you a question, if I may.

We are interested in promoting qualified Federal employees.

Mr. BRAXTON. I beg your pardon?

Mr. LESINSKI. I said all of us are interested in promoting qualified postal employees at all times. Do you think that the premise of time or the service is a primary consideration for promotion?

Mr. BRAXTON. I think the premise of time is a factor. However, I do not think that it is the overruling factor.

Mr. LESINSKI. Thank you, Mr. Braxton.

Are there any questions?

Mr. ICHORD. Mr. Braxton, what post office employees does your alliance include?

Mr. BRAXTON. It includes all categories—clerks, carriers, railway mail clerks, laborers, custodians, and so forth.

Mr. ICHORD. What is your membership?

Mr. BRAXTON. Approximately 20,000.

Mr. LESINSKI. Mr. Derwinski?

Mr. DERWINSKI. No questions.

Mr. LESINSKI. Thank you, Mr. Braxton. Mr. Cobb's statement will be included in the record at this point.

(The statement follows:)

STATEMENT OF J. B. COBB, PRESIDENT, NATIONAL ALLIANCE OF POSTAL EMPLOYEES

Mr. Chairman and members of this committee, we appreciate the opportunity to present testimony to you on the subject of downgrading, as approached by the legislative proposals before you.

We do so in the interest of employees least able to sustain such a blow. Our support of the principle enounced in H.R. 1813, 4527, 5398, 5431, and 5674 should not be construed as opposition to prudent conduct of Government. Rather, it is to develop to a greater degree the social responsibility of Government within the framework within the economic decision.

Today, the Nation's work force shudders under the impact of automation, the excess of manpower over job opportunities, and the growing inclination of producers to price commodities on a what-the-traffic-will-bear basis. The picture which impinges on the subject of downgrading of the postal employee is one of acute squeeze. As a consumer he faces the problem of high prices. As an employee in many instances he is the victim of a contracting-out agreement between his agency and business. This is in addition to the potential of automation.

Despite assurances to date and the sustained level of postal employment, apprehensions continue. Under the previous administration, we have not engaged in a joint consideration of the personnel problem under expanding automation. Request for such consideration is now before the Post Office Department. Realizing the inevitability of automation, we look forward to an enlightened consideration of the employees stake in his career, as well as that of the Government.

With regard to contracting out of duties, postal employees in Wilmington, N.C., complain vociferously about the issue of cheap labor to perform a task formerly assigned to them. Wherein our investigation is not yet complete in this matter, suffice it to say that savings to Government are possibly negligible, all things considered. On the other hand, the image of Government activity seeking cheaper labor through contract agreement is not the best. Moreover, as a widespread and growing tactic, some damage is being done to the human individual and the local community. Downgrading under the impact of contract agreements alters the living standards of the postal employee in the community.

This living standard deterioration may occur without substantially raising that of the work force of the contractor. Such being so, it follows that tax revenue sources for local communities and the State in addition to the consuming power of the employer are impaired. Under the current pressure of unemployment benefits, school programs, and other State and municipal obligations, savings cannot be real. It would appear that cost and savings allocations become nothing more than paper shifting operations.

Federal employment in many areas is crucial, not only to the worker but to the area as well.

Another unique development confronting us in a very tragic way is the transfer of duties from the field service to the wage board jurisdiction. Specifically, here are a group of men working in a post office at \$1.92 per hour. For

15 years these men have worked as laborers-firemen-watchmen. A decision was reached to place their function, completely, under the General Services Administration which operates under the wage board system.

These men, yet employees of the U.S. Government, have now been notified of a reduction in pay to \$1.46 an hour. I submit to you that after 15 years of good service these men will be brought down to within 21 cents of the minimum wage now under consideration by the Congress.

It seems to me that it would not be necessarily gratuitous to establish some minimum service cutoff date which would protect the income of such an unfortunate wage earner. These men plead to us and to you to do something. They face a \$900 cut annual pay. This is tragic. Surely, the majesty of the U.S. Government shall not go by default because of doubtful savings. We would rather not see the Government utilize the wage board as a questionable "gimmick" to hammer down the wages of those least able to afford it. Sifting of this news through employee ranks cannot help but create adverse conditions. And the fact remains, you must have an orderly functioning operation.

But, sirs, this kind of operation reverberates beyond the focal point of the affected. As the decisionmakers of the laws under which we shall operate, you are conscious of the importance of incentive, efficiency, and morale. The spectacle of agency recruiting and "riffing" simultaneously would be ridiculous if it were not tragic. But more than that, the cynicism bred in employees and other citizens does not favor the official image. We therefore, find ourselves in complete agreement with the principle embodied in these legislative proposals. To us such a move is long overdue if we are not to become mired in the primitive stage of personnel administration. Such it will be if the sole approach to the problem of manpower utilization is to "lop 'em" off the payroll or to cut salaries regardless of other controlling factors.

I respectfully commend to you for your consideration the following as possible solution to this problem. These are in addition to the procedures included in the bills.

1. That transfers of duties from one agency to another not result in reduced pay, for the incumbent employee.
2. That training facilities be made available to employees whose jobs have been abolished to qualify them for other duties.
3. That employee representatives be consulted much prior to the effective date of downgrading, transfers, and reduction in force actions.

Please note that training facilities referred to in item 2, should occur prior to the elimination of jobs.

Mr. Chairman, I thank you and the committee for your kind attention. May I express the hope that this testimony will be of some help in arriving at your final decision.

I thank you.

Mr. LESINSKI. The next witness is James K. Langan, operations director, Government Employees' Council, AFL-CIO.

STATEMENT OF JAMES K. LANGAN, OPERATIONS DIRECTOR, GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO

Mr. LANGAN. Mr. Chairman and members of the subcommittee, my name is James K. Langan, operations director of the Government Employees' Council, AFL-CIO, which is a federation of 24 unions, whose members are wholly or in part employees of the Federal Government, in all departments.

At the outset I wish to express our appreciation to the chairman of the subcommittee, Mr. Lesinski, and the members for holding prompt hearings on this subject. Mr. Lesinski has devoted considerable time and effort in this area in an effort to eliminate certain inequities and unfair situations where Government employees were downgraded through no disciplinary action or fault of their own.

Ever since the passage of the salary increase amendment to the Classification Act of 1949 a problem was created whereby incumbents were reduced in salary through reclassification actions without fault on the part of the employee. The Civil Service Commission attempted to correct this and to clarify and eliminate inequities under the act and spelled out regulations for the various agencies. It was later ruled that these regulations were not in accordance with law and since then attempts have been made in successive sessions of Congress to solve the problem. Much research has been done and hearings have been held before the House Post Office and Civil Service Committee during the sessions of Congress since 1951. Several remedial bills were passed and enacted into law. However, there are still some cases which call for remedial legislation and the benefits of the acts should be broadened to include employees of the postal service which were not previously considered.

The introduction by Congressman Lesinski of H.R. 5674 and H.R. 4527; by Representative Murray of H.R. 5431 and H.R. 6260; and by Representative Corbett of H.R. 5398 and H.R. 6288, are attempts to further refine the complex problems inherent in the current statutes.

We are keenly aware of the fact that the Post Office and Civil Service Committee is soon to consider major legislation on rates of postage that will take a considerable amount of time before completion and feel that the question before us has been fully explored and explained in previous hearings. In view of this, we would like to place ourselves on record as recording endorsement of the Lesinski measure, H.R. 5674, and the principles inherent in the other bills before this committee.

I wish to again thank you, Mr. Chairman, and the members of this subcommittee for your interest in this legislation and trust that a bill will be reported out in the very near future.

If I might amplify that with a couple of words, Mr. Chairman?

Mr. LESINSKI. You may proceed.

Mr. LANGAN. I would say that, while this does not affect a large number of Federal employees, it does do a great injustice to a few of them, and, therefore, is one of the reasons why we think a bill should be brought out and reported to the House and passed and become law.

Mr. LESINSKI. Thank you, Mr. Langan.

Any questions?

Mr. DERWINSKI. No questions.

Mr. LESINSKI. The next witness, Ross A. Messer, legislative representative of the National Association of Post Office and General Services Maintenance Employees.

STATEMENT OF ROSS A. MESSER, LEGISLATIVE REPRESENTATIVE OF THE NATIONAL ASSOCIATION OF POST OFFICE AND GENERAL SERVICES MAINTENANCE EMPLOYEES

Mr. MESSER. Thank you, Mr. Chairman, and members of the committee, for this opportunity to appear before you today.

I am Ross A. Messer, legislative representative of the National Association of Post Office and General Services Maintenance Employees. I want to compliment you, Mr. Chairman, and the members of the committee, for your interest in this subject.

I have a short statement, which I will file. In view of the fact that certain cases have been mentioned, I would like to deviate from my copy to elaborate a little further if I may.

Mr. LESINSKI. Without objection it will be inserted in the record.
(The statement of Mr. Messer is as follows:)

STATEMENT OF ROSS A. MESSER, LEGISLATIVE REPRESENTATIVE, NATIONAL ASSOCIATION OF POST OFFICE AND GENERAL SERVICES MAINTENANCE EMPLOYEES

Thank you, Mr. Chairman and members of the committee, for this opportunity to appear before you today. I am legislative representative of the National Association of Post Office and General Services Maintenance Employees.

I wish to take this opportunity to thank you, Mr. Chairman and the members of the subcommittee, for your interest in protective legislation for employees whose positions are downgraded through no fault of their own. Protection of this nature was provided Classification Act employees in 1958. Regulations were issued in 1959 providing similar benefits for certain wage board employees. No protective legislation has ever been enacted to protect postal employees whose positions are downgraded through no fault of the employee.

Title II of H.R. 5674 will provide this much-needed protection.

From time to time, the Department makes periodic checks of salary-level assignments of various employees to determine if the position is properly allocated according to duties and responsibilities and salary level. In quite a few instances, it has been determined by the Department that positions were assigned incorrectly at the time of reclassification in 1955 and the Department orders the reassignment of the employee to a lower position, thereby requiring the employee to take a reduction in pay.

The errors in classification are errors of the classification officer and not errors of the employee involved. Such downgrading has worked a tremendous hardship on the employee involved, requiring a reduction in pay of from \$300 to \$400, and in some instances, even more. This is an injustice to the employee involved, as he was not responsible for his position being assigned to the improper level. However, after 4 or 5 years, he is made to suffer the consequences of the error of someone else.

It is beyond our understanding why an employee should be required to suffer financial loss due to errors over which he has no control.

The provisions in title II of H.R. 5674 would provide protection for employees caught in downgrading actions of this nature for a period of 2 years, thereby giving them an opportunity to make the necessary financial adjustments and an opportunity to seek higher level appointments, as vacancies occur during this 2-year period.

It is hoped the committee will take favorable action on this proposal and report it to the full committee at the earliest possible date.

It is our understanding that other proposals before this committee would extend certain protections to Classification Act employees who have been caught in the downgrading. We wholeheartedly endorse the clarification and extension of salary protection benefits to the Classification Act employees.

I wish to again thank you, Mr. Chairman, and members of this committee for this opportunity to appear before you today.

Mr. MESSER. We also have a case of downgrading in Jersey City; Paterson, N.J.; Indianapolis, Ind.; St. Louis; Altoona, Pa.; Wheeling, W. Va.; Minneapolis, Minn.; and probably many others, that could be mentioned.

Now the downgrading is a serious situation in the custodial service. According to the position descriptions, janitor level 1, key position 1 in Public Law 68, and custodial laborer, level 2, standard position 6-13, issued by the Department, on paper there is a great differential in these two positions.

Actually there is very little difference in the two positions. In fact, all of these employees were laborers prior to reclassification in 1955, Public Law 68, when an attempt was made to divide many of the positions into numerous categories, and where there had been about

45 positions in the custodial service, we wind up with around 80 different positions.

Now many of these employees are doing the same work they have done for years, as laborers. Some of them were ranked as level 1, in 1955, effective December 3. Others were placed in level 2. The Department is now making a nationwide review of these positions and they are turning up quite a few of them that according to their standards, are not performing all the duties of level 2.

Level 2 supposedly does a little mechanical work, maybe a little firing, maybe a little operating of elevators, a little operating of power equipment, such as scrubbers, waxers, polishers, along with incidental cleaning.

Now your janitor does incidental cleaning and he may also operate this equipment. But it is not listed on his position description.

We think protective legislation is very good. It will protect these employees for 2 years and give them an opportunity to fill other positions as the level 2 jobs become vacant.

However, we think the real source of the trouble was the dividing of the position in 1955 and making two positions out of one.

We feel that they should be combined as laborer level 2, so that the employees can be used for the diversified duties of the position and that would remedy the entire situation, as far as this particular job is concerned.

Mr. Chairman, we endorse the proposal contained in your bill, H.R. 5674, which would provide protection in downgrading instances.

Mr. LESINSKI. Are you addressing yourself primarily to the matter of Public Law 68?

Mr. MESSER. That is right, sir. We have had approximately 10 level 6 machinists in New York City downgraded to conveyor mechanics, level 5.

Mr. LESINSKI. Any questions?

Thank you for your comments, sir.

Mr. Gibson, legislative director of the National Federation of Post Office Motor Vehicle Employees, AFL-CIO.

**STATEMENT OF EVERETT G. GIBSON, LEGISLATIVE DIRECTOR,
NATIONAL FEDERATION OF POST OFFICE MOTOR VEHICLE EM-
PLOYEES, AFL-CIO**

Mr. GIBSON. Mr. Chairman and members of the committee, I have a brief statement, if I may read it.

Mr. LESINSKI. You may proceed.

Mr. GIBSON. My name is Everett G. Gibson. I am the legislative director of the National Federation of Post Office Motor Vehicle Employees, with offices at 415 Fifth Street NW., Washington, D.C.

We want to express our appreciation to Chairman Lesinski for such prompt action in scheduling these hearings on this much-needed legislation. Also to the members of this committee and the many Congressmen who have introduced bills relating to the "preservation of basic compensation in downgrading of Federal and postal employees within the Federal Government."

On behalf of the organization which I have the honor of representing, we support H.R. 5674, introduced by the distinguished chairman of this committee, Congressman Lesinski, especially "Title II:

Salary Protection for Postal Field Service Employees" and of which we are greatly concerned.

It has been the sad experience of our organization only recently, wherein the Post Office Department, under the last administration, that a directive was issued on January 26, 1961, "Staffing Criteria for the Vehicle Service," that will downgrade many positions of our employees in the Motor Vehicle Service. These employees, with many years of experience in our service will be given the choice of either accepting the same position at a lower salary level or of being transferred into the post office, if a position is available at their present salary level.

It is the opinion of our organization that the employees involved have just as great a responsibility under these new criteria, yet these same positions have been reevaluated at a lower salary level.

Mr. LESINSKI. May I get some clarification at that point?

That was originally under Public Law 68.

Mr. GIBSON. In Public Law 68 those positions were in the level they are now but they are going to downgrade them under the new criteria.

Mr. LESINSKI. In other words, they had not followed the criteria established in Public Law 68?

Mr. GIBSON. These positions I am talking of, some of them are not in Public Law 68, they are descriptions that are made by the Post Office Department in various categories of the service, such as dispatchers, vehicle handlers, who don't come under Public Law 68, as far as jobs are concerned, but do get the salary increases under Public Law 68.

Mr. LESINSKI. Thank you. Proceed.

Mr. GIBSON. We have been assured by the present administration of the Post Office Department that further study would be made, pertaining to the directive of January 26, 1961, and we are confident that an attempt will be made; however, the employees of the Motor Vehicle Service are still faced with the possibility of having their salary level downgraded at this time.

Mr. Chairman, it is for this reason that we wholeheartedly endorse H.R. 5674 and sincerely hope that this committee will vote this bill out and that it will be passed by this session of Congress.

Thank you, Mr. Chairman and members of this committee, for allowing me to appear before you today to express the views of our membership.

Mr. LESINSKI. We appreciate your statement, Mr. Gibson.

Any questions?

Mr. DERWINSKI. Just one question. Will you explain to me, sir, how the last administration could be responsible for a directive issued on January 26?

Mr. GIBSON. Because it was issued and the officials were not confirmed by the Senate at the time of January 26, and the order had already been prepared prior to the new administration coming in.

Mr. DERWINSKI. Well, the order in effect was finally issued by the normal career executives of the Post Office, rather than at the instigation of either the new or old administration, in terms of the few personnel changes that were made with the change of administration.

Mr. GIBSON. No, I want to make it clear it was the past administration that created this criterion, and had to be signed off by the past administration, because the incoming administration did not have the power to sign any such directives.

Mr. LESINSKI. Prior to the present incumbents taking over the administration?

Mr. GIBSON. That is correct.

Mr. DERWINSKI. Thank you.

Mr. LESINSKI. Thank you, Mr. Gibson. We appreciate your being before us.

Mr. Warfel, president of the National Association of Special Delivery Messengers.

STATEMENT OF GEORGE WARFEL, PRESIDENT, NATIONAL ASSOCIATION OF SPECIAL DELIVERY MESSENGERS

Mr. WARFEL. Mr. Chairman, our organization endorses the intent and purpose. With that, I would be glad to have my statement, which you have, put in the record.

Mr. LESINSKI. Thank you. Without objection, it is so ordered.
(The statement follows:)

STATEMENT BY GEORGE L. WARFEL, PRESIDENT, THE NATIONAL ASSOCIATION OF SPECIAL DELIVERY MESSENGERS

First, I wish to express the thanks of the Special Delivery Messengers of the Postal Service to you, and to the other Congressmen who have taken an active interest in the subject matter, and introduced the various bills to protect classified employees from the effects of downgrading.

Second, while no complaints have been filed at our national office by our members on downgrading, we endorse the principle and intent of H.R. 5674, title II, by Mr. Lesinski, which seeks to extend such protection to employees in the postal field service schedule, and trust that the committee may make a favorable report.

Mr. LESINSKI. The next witness scheduled is Mr. John F. O'Connor, legislative director, United Federation of Post Office Clerks.

STATEMENT OF JOHN F. O'CONNOR, LEGISLATIVE DIRECTOR, UNITED FEDERATION OF POST OFFICE CLERKS

Mr. O'CONNOR. Mr. Chairman and members of the subcommittee, for the purpose of the record, my name is John F. O'Connor, and I am legislative director of the United Federation of Post Office Clerks, AFL-CIO. The name of our organization changed during the past week due to the fact that the United National Association of Post Office Craftsmen merged with our organization on April 17.

First, I desire to compliment Congressman Lesinski, the chairman of the committee, on his efforts to schedule early hearings on this legislation. We are very appreciative of his efforts and those of other members of the committee in introducing legislation that provides for the protection of postal field service employees in downgrading actions. Public Law 68, enacted in 1955, set up a number of classifications for post office clerks, resulting in many of our members being promoted to levels 5 and 6. Within the next 2 to 4 years, many of these employees were demoted, or downgraded, without adequate protection as to their salaries.

The three classifications with which we have had the greatest problems are (1) Claims clerk, PFS-5. The criteria set up by the Post Office Department is generally followed as a hard and fast rule by officials of the Department in determining as to whether or not an employee shall remain in that level. For instance, the Department stated that the volume of claims to be handled should be approximately 100 claims a month, and the clerk should process a significant number of 16 or more per month which require the application of detailed knowledge of regulations. Frequently we find that the Post Office Department officials determine that an employee who processes a few less than called for in the criteria should be downgraded and such action is ordered and follows immediately. This, even though the employee will continue to perform very nearly the same duties. (2) Information clerks. A criteria has been set up that a post office before having an information clerk at level 5, must have receipts of \$5 million or more. Quite frequently officers with lesser receipts have need for a clerk with specialized knowledge. When the receipts fall below the amount shown the clerk in level 5 is downgraded even though there is need for his services as a specialist and he is actually performing the duties. (3) Special distribution clerk, level 5. The criteria set up is that the office concerned must have receipts of \$1,500,000 per year, or more. Special distribution clerk is a position where the clerk has a great knowledge concerning the routing and the handling of letters, and has a variety of knowledge concerning special distribution problems.

As stated above, altogether too many times clerks in the above categories are downgraded from the level 5, to the next lower level, although there is continued need for their special knowledge and the Post Office Department does utilize this knowledge at a lower rate of pay.

Protection should be given these clerks, and we believe that this legislation will do that. I am happy to appear in support of H.R. 5674, introduced by Congressman Lesinski, inasmuch as this bill has application to the federal employees under the Classification Act of 1949, and to postal employees in its reference to chapter 45 of title 39 of the United States Code. We trust that the committee will report this legislation and that it will be enacted into law.

We appreciate having the opportunity of presenting our viewpoint to the committee.

Mr. LESINSKI. We will now hear from Mr. William T. Vaughn, executive vice president of the National League of Postmasters.

Mr. Vaughn.

STATEMENT OF WILLIAM T. VAUGHN, EXECUTIVE VICE PRESIDENT, NATIONAL LEAGUE OF POSTMASTERS

Mr. VAUGHN. Mr. Chairman and members of the subcommittee, my name is William T. Vaughn, executive vice president of the National League of Postmasters. I am postmaster at Paris, Tenn. I wish to thank this subcommittee for the privilege of appearing before it and presenting the National League of Postmasters' views on H.R. 5774.

Our statement will be brief, since this subcommittee already has heard the views of various organizations endorsing this bill.

We strongly endorse it and urge its prompt enactment. The bill sponsored by the distinguished gentleman from Michigan, Mr. Lesinski, who always has been a great friend of postal and Government workers, would do much to alleviate the economic hardships on postal workers who suddenly through no fault of their own find their jobs have been downgraded.

By "saving" the salaries of these postal employees for a 2-year period, the bill would prevent the sudden drop in salary that would work such hardships on the employees and their families.

It would give postal workers the same protection that their colleagues in the rest of the Government service already have. We hope this bill will be enacted into law this year. Thank you.

Mr. LESINSKI. There being no further testimony, the subcommittee stands adjourned until 10 a.m., Monday morning.

(Whereupon, at 11:25 a.m., the subcommittee was adjourned, to reconvene at 10 a.m., Monday, April 24, 1961.)

PRESERVATION OF BASIC PAY IN DOWNGRADING ACTIONS

MONDAY, APRIL 24, 1961

**HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.**

The subcommittee met, pursuant to adjournment, at 10 a.m., in room 215, House Office Building, Hon. John Lesinski (chairman of the subcommittee) presiding.

Mr. LESINSKI. The subcommittee will come to order, please.

The subcommittee today will resume consideration of H.R. 5674, H.R. 4527, H.R. 1813, H.R. 5431, and H.R. 5398, bills which relate to salary downgrading and related personnel matters affecting employees under the Classification Act and in the postal field service.

This morning the subcommittee will hear testimony from representatives of the departments and agencies which have expressed interest in this legislation.

Our first witness will be Hon. John W. Macy, Jr., Chairman, Civil Service Commission.

Mr. Macy, will you proceed, please.

STATEMENT OF HON. JOHN W. MACY, JR., CHAIRMAN, U.S. CIVIL SERVICE COMMISSION, ACCOMPANIED BY FRANK MELLOR

Mr. MACY. I will ask Mr. Frank Mellor, of the Commission staff, to come to the table with me, if I may, to respond to any technical questions you may have.

Mr. LESINSKI. Fine.

Mr. MACY. Mr. Chairman and members of the committee, I welcome this opportunity to appear before you this morning, to testify in favor of H.R. 5674.

The Civil Service Commission strongly endorses the enactment of H.R. 5674. This bill amends section 507 of the Classification Act of 1949, which provides salary retention for employees subject to that act, and chapter 45 of title 39 of the United States Code relating to postal field service salaries. It includes provisions which we see as necessary to validate certain payments made to employees in good faith under instructions issued by the Commission.

Public Law 85-737 (approved August 23, 1958) amended section 507 of the Classification Act so as to make salary retention apply to a wider category of downgrading actions. That law, in addition to providing for salary retention in future downgrading actions, provided that a retained rate would be paid, commencing after its enact-

ment, for a period of 2 years to eligible employees who were reduced in grade at an earlier time. Based upon its understanding of congressional intent, the Commission interpreted this law as calling for inclusion of the 1958 general pay increase in the resulting retained rates.

The Comptroller General ruled, however, that under the language of the act, the 1958 pay increase could not be included in the retained rate of an employee reduced in grade prior to the effective date of that pay increase.

The Comptroller General advised that he would withhold collection action in cases where employees were overpaid under the Commission instructions until the Commission had an opportunity to present a draft of remedial legislation to the Congress.

The Commission has prepared such remedial legislation and it has been introduced as H.R. 6260 and H.R. 6288 by Chairman Murray and Congressman Corbett, respectively. These bills would not only validate the retained rates which included the 1958 pay increase, but would also, in fairness, require retroactive payments to any employee whose retained rate did not include that salary increase. Enactment of H.R. 5674 will serve both of these purposes equally as well. If H.R. 5674 is enacted, enactment of the Commission proposed measure will be unnecessary.

H.R. 5674 goes beyond the Commission's proposal in that it provides for the inclusion of future statutory salary increases in salary rates retained under section 507 of the Classification Act. This difference may be less important than one would, at first, think. Rates retain under section 507 of the Classification Act, as amended by Public Law 85-737, were increased by the Federal Employees Salary Increase Act of 1960. Provisions similar to those of the 1960 pay increase act appeared in the 1955 and 1958 pay increase acts. They would similarly have increased retained rates. If these precedents are followed, a provision in section 507 for increasing retained rates by future salary increases will make little practical difference. Accordingly, while H.R. 5674 differs from our proposal in this respect, we see no reason to object to this difference.

H.R. 5674 amends the salary retention provisions of the Classification Act in another important respect. Section 507, as amended by this bill, would exclude from salary retention those downgrading actions which are a condition of an earlier temporary promotion. We look with favor on this provision of the bill. The Commission endorsed a bill containing a similar provision in the last Congress.

Salary retention is intended to cushion the shock of reduction in grade and to provide time for reassignments to positions warranting the former pay. If a promotion is temporary and accepted as such by the employee, there is, upon its termination, no need for salary retention for these purposes. The employee should be prepared for the reduction in pay and the agency would have no obligation to attempt to reassign him to a position warranting the higher pay.

Under the existing law, an employee must have served in the higher grade for 2 years to be eligible for salary retention. This prevents most temporary promotions from conferring upon the employee a right to retain the salary of the grade to which temporarily promoted.

To the extent, however, that there are temporary promotions of longer duration, it seems appropriate to us that, provided their character is made clear to the employees concerned, they should not result in salary retention.

Title II of H.R. 5674 provides salary retention for postal field service employees. I have just mentioned that we view salary retention under the Classification Act as intended to cushion the shock of reduction in grade and to provide time for reassignments to positions warranting the former pay. As a matter of principle, it seems to us to be appropriate to provide eligibility for salary retention to postal employees with the same objectives in mind. As to the detailed provisions of title II of the bill, however, we wish to defer to the views of the Post Office Department.

Before concluding my statement, I would like to add to the written statement by emphasizing in addition to the reasons set forth in my prepared statement that there are matters of individual employee equity that will be preserved through the passage of this bill. Employees received retention under the terms of Public Law 85-737, and in accordance with Commission instructions and if they were required, under the ruling of the Comptroller General, to repay those retained rates, this would constitute, in our judgment, a serious burden on those employees.

I feel this particular argument is worth stressing as well as the point that I have covered in the statement. Also, Mr. Chairman, I would like to make reference to the letter from the Civil Service Commission dated April 21, which comments officially on this legislation, also endorsing it. There is in that letter, on page 2, a technical point. I believe in order to have our comments comprehensive I should include a reference to it.

There is one relatively minor provision of the bill which we believe should be changed to make the language agree with what we are confident is the intent. Paragraph 2 of section 102(d) of the bill deals with the effective date of the validated payments for life insurance purposes. We recommend that that paragraph be amended to read as follows:

Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (a) of this section—that is section 102(d)—“by reason of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective for group life insurance purposes as of the first day of the first pay period following the pay period in which the payroll change was approved with respect to such individual.

The bill as written refers to the effective date for life insurance purposes prescribed for increases effected by the Federal Employees Salary Increase Act of 1958. This is inappropriate since the retained rates prescribed by the act of August 23, 1958, that is Public Law 85-737, became effective for group life insurance purposes at the time prescribed by section 3 of that act. This is a technical point which, if included in the bill, would possibly anticipate future complications and eliminate them.

(The entire letter is as follows:)

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., April 21, 1961.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
House of Representatives.

DEAR MR. MURRAY: This is in further response to your letter of March 17, 1961, requesting our comments on H.R. 5674, entitled "A bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes." We were advised by the committee staff that this bill replaces H.R. 4527 so we are not reporting on the latter.

H.R. 5674 would amend the salary retention provisions of the Classification Act and in addition provide similar salary retention benefits for postal field service employees. Title I which amends the Classification Act provisions has two basic purposes. It would amend section 507 so as to provide for the inclusion of statutory salary increases in retained rates, and it would further amend the same section so as to make ineligible for salary retention an employee whose reduction in grade is a condition of his temporary promotion to a higher grade.

The Commission favors enactment of H.R. 5674.

In connection with section 507 as amended by the act of August 23, 1958, the Commission issued instructions for inclusions of the 1955 and 1958 pay increases in the retained rates. It was the Commission's understanding that the act of August 23, 1958, would not deprive employees of the advantage of those statutory increases. Subsequently, however, the Comptroller General ruled that the Commission's interpretation was incorrect and that payments to employees affected were improper. The Commission favors legislation which would relieve the employees concerned of their obligation to repay the Government overpayments which they received in good faith and which were paid to them in accordance with what the Commission believed to be the original intent of the act of August 23, 1958.

While the Commission does not believe adjustment of retained rates by future statutory salary increases is either necessary or desirable, we do not object to that aspect of the bill since, as a practical matter pay increase legislation has regularly provided for the adjustment of such rates. While the objectives of salary retention could be achieved without adjustment of the retained rate by future statutory salary increases, a provision for such adjustment will cause little change in existing practice if salary increase legislation continues to follow the pattern set in recent years.

Particularly important, we believe, is section 103(b) of the bill which states that nothing in title I of the bill will modify any increase in a retained rate resulting from the Federal Employees Salary Increase Act of 1960. The pay of employees receiving retained rates under section 507 of the Classification Act as amended by the act of August 23, 1958, was increased in accordance with the provisions of the Federal Employees Salary Increase Act of 1960. The rates resulting from application of the adjustment rules of that law are different from those which would be obtained from application of the provisions of section 507 as it would be amended by this bill. In many instances the rates fixed in accordance with the rules of the salary increase act are slightly higher than those which would be obtained from application of section 507 as amended by this bill.

There is one relatively minor provision of the bill which we believe should be changed to make the language agree with what we are confident is the intent. Paragraph (2) of section 102(d) of the bill deals with the effective date of the validated payments for life insurance purposes. We recommend that that paragraph be amended to read as follows:

"Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (a) of this section by reason of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective for group life insurance purposes as of the first day of the first pay period following the pay period in which the payroll change was approved with respect to such individual."

The bill as written refers to the effective date for life insurance purposes prescribed for increases effected by the Federal Employees Salary Increase Act of 1958. This is inappropriate since the retained rates prescribed by the act of

August 23, 1958, became effective for group life insurance purposes at the time prescribed by section 3 of that act.

The Commission favors that provision of H.R. 5674 which would make ineligible for salary retention employees whose reduction in grade is a condition of temporary promotion to a higher grade. In our opinion, an employee who receives a temporary promotion with full knowledge of its temporary nature and of his expected return to the lower grade position, should not be entitled to salary retention benefits. These benefits were intended to alleviate the hardships resulting from unexpected demotions. They were not intended to result in additional pay to employees who accept promotions with the expectation of future demotions.

While the proposed amendment relating to temporary promotions should affect only a relatively small number of employees, because salary retention now applies only to employees who have occupied the higher grade position for a period of 2 years, it is desirable in order that such temporary promotions of longer duration as are made will not confer salary retention benefits. It will be imperative in the application of this provision that departments and agencies have a clear understanding with employees as to the effect on salary retention benefits of any temporary promotions effected.

Title II of the bill provides salary retention for postal field service employees. Since salary retention is provided for Classification Act employees, it seems only fair to afford the same protection to postal field service employees. The Commission, accordingly, favors salary retention for postal employees in principle but defers to the Post Office Department with respect to the detailed provisions of title II.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

Sincerely yours,

JOHN W. MACY, JR., *Chairman*
(By direction of the Commission).

Mr. MACY. Mr. Chairman, I thank you for the opportunity to present this affirmative support for your bill, H.R. 5674, and I believe that the passage of this legislation would assure a benefit that was originally intended by the Congress and eliminate confusion that may have resulted from the Comptroller General's interpretation of that intent.

I would be happy to answer any questions that you or other members of the committee may have. Mr. Mellor is with me to handle any further technical details that you may have on your mind.

Thank you very much.

Mr. LESINSKI. We are glad to have your testimony this morning, Mr. Macy.

You mentioned that H.R. 6260 and 6288 introduced by the chairman, Mr. Murray, and our esteemed member, Mr. Corbett, that H.R. 5674 has language sufficient to cover the intent of those bills.

Mr. MACY. Yes, sir.

Mr. LESINSKI. Further I would like to have your interpretation as to what your feeling would be on the effect of this—I mean it is already in effect as far as the regular civil service employees are concerned, but would it have a tendency to strengthen, to give better consideration to proper promotions in the future?

Mr. MACY. It might have an indirect effect along those lines, but it seems to me the primary purpose of the legislation is, as I indicated, to cushion the adjustment to the lower rate resulting from reductions in grade, and to permit the agency to reassign the individuals so affected to positions where loss of pay is less likely to occur.

I think all of the legislation along this line has had the effect of added attention to the whole process of promotion. In the last few years the Commission has emphasized the merit promotion program as

an essential part of personnel management. I think legislation of this type helps to strengthen programs of that nature.

Mr. LESINSKI. The purpose I had in mind is twofold. No. 1, that the agency would be more careful in selectivity of promotions. They would not haphazardly promote somebody and then downgrade them.

No. 2, as to new employees coming to the Government, that they would avoid placing them at higher levels for a temporary time only for the purpose of getting them into the Federal Government, and then in a year or two demote them.

My point is that the agency would be less apt to use a gimmick, you might put it that way, to get employees to stay in or promote them because of politics or something like that.

Mr. MACY. As I said, it might have some restraining effect of that nature, but I am not aware of instances such as you describe in the workings of the promotion system at the present time. I feel that since the salary retention legislation was introduced and passed, several years ago, that employees have been protected in instances where the work has changed or there has been some alteration in organization which has called for a reduction in individual jobs. I think it is particularly helpful then.

We have a Federal Government that of necessity must change to meet the new demands of programs and the changes in our entire array of Federal problems. It is essential there be flexibility of adjustments in personnel, from job to job. I think that legislation of this kind provides assistance both to management and to the employees in bringing about changes of that kind, efficiently and humanely.

Mr. LESINSKI. The point is the fact that some years ago there had been some promotions in a particular agency. The agency hired people, which the Civil Service Commission, after review, felt were too high. They placed them at a lower level, with the same job, the same type of work.

My point is, would the agencies be more careful—of course, I am repeating, I realize that—would they be more careful in the selectivity of the personnel, No. 1, and more careful in the job evaluation in the future, meaning that this would cause them to take a second look before they made a move. That is the purpose I had in mind really of this legislation.

Mr. MACY. I think it would have that effect. I recall the case that you speak of, where the Commission determined that the jobs had been overgraded, called for a reduction in grade, and there was a serious problem there because the incumbents of those positions had a great deal of service in the higher grade, they had moved up the longevity steps quite a distance, so there would have been a serious loss in compensation as they moved to the lower grade. By having the 2-year retention period, it made it possible to attempt reassignments, to review the entire work situation where those jobs were located.

So, I feel in response to your point, that this does add a means for assisting the agency in complying with Commission standards, as well as exercising restraint in reevaluating jobs under the delegation of authority in the Classification Act.

Mr. LESINSKI. It would improve personnel management.

Mr. MACY. I believe this is an affirmative personnel management program.

Mr. LESINSKI. It would kind of force them into it more or less.

Mr. MACY. The word "force" I would perhaps balk at, but I think it would provide an affirmative bit of guidance for the agencies.

Mr. LESINSKI. The word "incentive" might be better.

Mr. MACY. I like that better, yes.

Mr. LESINSKI. Any questions on my right?

Mr. ICHORD. Mr. Macy, I am not familiar with all of the legislative history behind the proposed amendments to section 507. When did the 1958 general pay raise go into effect?

Mr. MACY. Let me respond to that.

I think the chronology here is a bit confusing. The Pay Act in 1958 was passed on June 20, to be effective retroactively January 1. The act that is to be amended by this bill was passed on August 23 of the same year.

It was generally assumed by the Commission, in writing the regulations pursuant to the August 23 act, that it intended that salary retentions authorized include the pay increases that took place effective January 1, based on the statute passed June 20.

The Comptroller General has ruled the language of the August 23 statute did not permit it.

Mr. ICHORD. The August 23 statute was an amendment to section 507?

Mr. MACY. Right.

Mr. ICHORD. Then when did the Comptroller General rule?

Mr. MACY. The Comptroller General ruled early last year, I believe, in 1960, on a number of cases and agreed upon the representations of my predecessor, Chairman Jones, to defer action to make collections on what he judged to be improperly retained salaries, if the Commission would initiate legislation to clarify the intent with respect to retaining rates authorized by the pay increase of 1958.

But the chairman of the subcommittee beat the Commission to the gun with his legislative proposal which is included in H.R. 5674.

Mr. ICHORD. Do you know how much money the payments made under the Commission ruling was?

Mr. MACY. I do not. I have attempted to ascertain that information, but I don't have it. Our impression is, from the consultations we have had with a number of agencies, that there are a relatively small number of employees involved, but that the amount of money per employee would place a serious burden on the employee if he were required to repay it under the terms of the Comptroller General's decision.

Mr. ICHORD. Thank you.

Mr. LESINSKI. Mr. Broyhill?

Mr. BROYHILL. Yes. Mr. Macy, you don't have that same controversy in regard to the 1960 Pay Act do you?

Mr. MACY. No, sir; as far as 1960 is concerned, at the time that was passed, provisions were written in the law which increased retained rates, as they were written in 1958, in the pay increase law. But it is a quirk of chronology that produces difficulty in this particular problem.

Mr. BROYHILL. The controversy is only on 1958 increases?

Mr. MACY. Correct.

Mr. BROYHILL. There are some employees that did not receive that increase, are there not?

Mr. MACY. Some that did not receive the 1960 pay increase?

Mr. BROYHILL. No, the 1958 increase.

Mr. MACY. I see your question. There are probably some employees who, based upon an agency interpretation similar to the Comptroller General's interpretation, may not have received retained rates that included the 1958 increase.

Mr. BROYHILL. I think I saw in the paper that the General Accounting Office employees did not receive it.

Mr. MACY. That is correct. In those instances it will be necessary, with the passage of this legislation, to compensate those employees, so that they will have reflected in their retained salaries the pay increase authorized as of June.

Mr. BROYHILL. They will get a retroactive pay increase for every 2 years of 10 percent.

Mr. MACY. That is correct.

Mr. LESINSKI. Are there any further questions?

(No response.)

Mr. MACY. Sir, I feel this legislation is necessary to avoid an injustice to a number of employees who by interpretation have not been covered by previous legislation.

Mr. LESINSKI. Thank you. I appreciate your statement and your testimony is very complete.

Mr. MACY. Thank you very much. We were pleased to be here.

Mr. LESINSKI. Next, Mr. Richard J. Murphy, Assistant Postmaster General for Personnel, accompanied by Mr. Bernard J. Beary, Deputy Assistant Postmaster General for Personnel.

STATEMENT OF RICHARD J. MURPHY, ASSISTANT POSTMASTER GENERAL, BUREAU OF PERSONNEL; ACCOMPANIED BY BERNARD J. BEARY, DEPUTY ASSISTANT POSTMASTER GENERAL, BUREAU OF PERSONNEL; DR. HERBERT BLOCK, DIRECTOR, COMPENSATION DIVISION; AND ADAM WENCHEL, ASSOCIATE GENERAL COUNSEL, POST OFFICE DEPARTMENT

Mr. MURPHY. I also have available Dr. Herbert Block, who is the head of our Compensation Division, and Mr. Adams Wenchel, Associate General Counsel of the Department, who are here to be able to answer any technical details that my 7 weeks' experience in the job may not have completely qualified me to give you an answer on.

Mr. LESINSKI. May I say this on the record. I have found that the new appointees so far have done a marvelous job.

Mr. MURPHY. Thank you very much.

First of all, Mr. Chairman and members of the committee, I am pleased to have the opportunity to give you the views of the Department concerning H.R. 5674, to provide salary protection for postal field service employees in certain cases of reduction in salary standing.

The Postmaster General's letter of April 21, 1961, urged enactment of this bill, since we sincerely believe it will improve salary administration in the postal service.

The purpose of this bill; namely, to provide a cushioning period to employees whose positions have been ranked to a lower salary standing, coincides with the thoughts expressed on many occasions by Postmaster General Day that we must bear in mind the impact on the individual employee of our management actions.

Since we operate under a system of laws and not men, when positions are changed because of reorganizations, procedural changes, or when errors of ranking are uncovered, and such changes or corrections warrant lower salary standing, we have no alternative but to direct the salary level reductions of the incumbents despite our desire to ease the effect on individual employees caught in situations beyond their control. As a matter of departmental policy we have directed that to the maximum extent possible reassignments, transfers, or valid adjustments in duties and responsibilities are to be thoroughly explored before final action is taken. Of course, in many situations despite the most considered canvassing of other job opportunities there is no immediate alternative but to accomplish the reduction.

We fully endorse the basic principle contained in the Postal Field Service Compensation Act of 1955, that there shall be "equal pay for substantially equal work." We recognize that to implement that principle, positions must be assigned to a salary level ranking as, if, and when changes occur without regard to the status, tenure, efficiency, or personal concerns of the incumbent. The law is impersonal, and to apply the measure of the law results in fairness and equity as between and among positions.

It also provides assurance to taxpayers that postal employees are properly paid for service performed—no more, no less. But we have learned that the full measure of the law is sometimes harsh on the individual. Frequently an employee accepts a new assignment at "face value" believing in the good intentions of management—that is, that the position has been properly ranked in salary level and that it has some degree of permanence. He, like everyone of us, lives up to the maximum of his income. If his position is changed to a lower rate it comes as a severe blow, not only to his pride and prestige but to his way of living. Adjustments have to be made and a period of grace to make those adjustments is needed.

Will the principle of equal pay for equal work be violated by enactment of this proposed bill? If viewed from the short term, yes; from the long term, no—since this proposed bill provides for a limited period of readjustment, i.e., 2 years. I believe employees, generally, and the taxpaying public will accept the short-term effect as a worthwhile expedient based on a sound sense of human values.

The period of adjustment has a twofold purpose, as we see it. Its first purpose is to provide the employee with an opportunity to become accustomed to the financial shock of receiving a lower paycheck every 2 weeks. And that is a shock, I think, to everybody.

The second purpose is to give administrative officials sufficient time to properly reassign employees to positions warranting their former pay. It is a period during which management can aggressively and positively consider or develop opportunities for the affected employee to regain his former salary standing by assignment to a position of higher salary level.

Already contained in our regulations is the requirement that the primary source for filling supervisory positions shall be from a list of former supervisors who have been relegated to a lower level through no fault of their own.

Except for a change which was proposed in our letter of April 21, 1961, to Chairman Murray, we find that the bill is otherwise very satisfactory. In past sessions of Congress, I understand bills were introduced on the subject of salary protection for postal employees, but this bill most adequately reflects some of the unique employment and pay matters of the postal service. I have reference to the broader definition of curtailment of work and coverage regarding rural carriers.

The reduction-in-force concept as affected by curtailment of work usually means that there are more employees available than work to be performed, and that as a result excess employees must be dropped or reassigned. Our fourth-class post offices and rural carrier activities are one-man operations. When there is a loss of receipts or a shortening of a rural route there is no genuine excess of employees.

Accordingly, we believe that a change affecting those two classes of employees should be treated similarly to a reranking or reclassification action for other employees and the employees should be given the 2-year salary protection. H.R. 5674 does provide for that protection in section 201(f).

We do believe, though, that there should be only limited protection to the heavy duty allowance granted to rural carriers. Heavy duty allowance is premium pay given to rural carriers who are required to spend a disproportionate amount of their time to serving a route as compared to a city carrier. Thus, if the route takes more than 40 hours to serve, the rural carrier receives a type of overtime.

It is our thought that when, through adjustments and improvements, we can reduce an overburdened route that salary protection should not apply except where the allowance is reduced to an amount equivalent to less than 40 hours a week.

Mr. LESINSKI. At that point, Mr. Murphy, does not a rural carrier who takes a larger route than is normal, he would come under the impression that it would be on a temporary basis, because of a chance it may be changed in a few days?

Mr. MURPHY. I would think that would be a valid assumption, because it is a form of overtime payment, in effect, and if through improving management procedures we can bring about a reduction in an overburdened route, we think the overtime nature of the route ought not to be protected just as your bill would not protect the overtime pay to a city carrier, but it would protect his basic salary and we want to try to equalize as much as possible the pay we give to our rural carriers and city carriers, keeping in mind the different nature of their work.

Mr. LESINSKI. I think there stems a difference because of the fact or misunderstanding because of the fact of the lack of proper directives or information to the employee sometimes, and that creates a disproportionate number of problems in the post office and I think this is one of them here, where clarification could be established which would let the employee know exactly how he stands.

Mr. MURPHY. I think this is a well-taken point, Mr. Congressman. There is one other feature of H.R. 5674 with which we cannot concur. Section 201(b) (1) provides that the provisions of this bill are to be effective July 9, 1960. The Post Office Department proposes a very liberal interpretation of the word "curtailment of work" and we endorse the general principles of this bill, but we cannot depart from the general proposition that employee benefits should have prospective application only.

In every piece of employee legislation there will be some employee who will feel mistreated because he was left out. Complaints will be registered regardless of the retroactive date selected, and therefore we believe that a sound principle to follow is to make the effective date the first pay period after enactment.

The doctrine of equal pay for equal work is, in our judgment, sound. I believe that when viewing the Federal service as a whole, we should think of that doctrine in the broad sense of equal pay treatment.

Since June 11, 1956, employees under the Classification Act of 1949 have had some type of salary protection. The problems and concerns of personnel administration insofar as they relate to employees and their salary standing under the Classification Act are equally compelling in the case of postal employees.

I certainly thank you for the opportunity to testify, Congressman.

I have just come from a meeting with Congressman John McCormack and he asked me to convey to you that he endorses wholeheartedly the principle of your bill.

I will be happy to attempt to answer any questions you may have.

Mr. LESINSKI. I would like to have inserted in the record at this point the letter of Postmaster General Edward Day addressed to Chairman Murray.

(The letter follows:)

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., April 21, 1961.

HON. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for a report on H.R. 5674, a bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

The bill is divided into two titles. Title I makes certain technical changes in section 507 of the Classification Act of 1949, as amended by Public Law 85-737 (5 U.S.C. 1107).

Title II of the proposed bill would extend to employees of the postal field service the same salary protection rights as now enjoyed by employees under the Classification Act of 1949 (5 U.S.C. 1107).

It is estimated that the cost of title II will approximate \$918,000 during the fiscal year 1962. For fiscal year 1963 an additional cost of approximately \$459,000 will be incurred because of coverage extended to employee changes to lower levels of basic salary on and after July 9, 1960, or a total cost through fiscal year 1963 of \$1,377,000. Cost for subsequent fiscal years should be maintained at approximately \$918,000 under current salary levels.

The proposed bill would protect the full amount of any heavy-duty allowance being received by a rural carrier. Under the Department's regulations, any amount in excess of that provided for 40-hour routes is considered premium compensation. It is believed that retention of the excess amount is not consist-

ent with the basic purposes of the bill. By inserting the phrase, "for 40 hours and under" following the word "compensation" in line 20, page 7, protection equal to that of city carriers in PFS-4 would be afforded to rural carriers serving heavily patronized routes.

Title II of the bill provides for retroactive application to July 9, 1960. The selection of this date would increase costs and require a comprehensive review of personnel actions during the past year. The Department sees no reason to depart from the general proposition that employee benefits should not be made retroactive. Accordingly, it is recommended that title II be amended to take effect upon enactment of the legislation.

Subject to the above amendments, the Department favors enactment of H.R. 5674.

We have been advised by the Bureau of the Budget that from the standpoint of the administration's program there is no objection to the presentation of this report to the committee.

Sincerely yours,

J. EDWARD DAY, *Postmaster General.*

OFFICE OF THE POSTMASTER GENERAL.

Washington, D.C., April 27, 1961.

Hon. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: Based on additional data obtained from field sources on the probable costs which H.R. 5674 might incur the amounts cited in my letter of April 21, 1961, should be amended. It would be appreciated if you would substitute the following for paragraph 4 of my letter of April 21, 1961, to you:

Each year approximately 500 employees will benefit from the protection of title II. This will result in a maximum first-year cost estimated at \$259,000. If the retroactive features of the bill become law, this maximum salary protection will total an estimated \$518,000 in fiscal 1962 and \$770,000 in fiscal 1963. If the retroactive provision should be dropped the estimated maximum salary protection will total \$259,000 in fiscal 1962 and \$518,000 in each fiscal year thereafter since the bill provides for a 2-year period of protection. It has been the Department's policy to exhaust all practical possibilities of reassignment before reductions are made. To the extent reassignment of promotion actions become possible before expiration of the 2-year period there would be no costs.

Sincerely yours,

J. EDWARD DAY, *Postmaster General.*

Mr. LESINSKI. Mr. Murphy, I have a question for clarification. The bill does not provide for protection of the highway post office and railway post office clerks in the Department because, as I understand it, the Department has made some kind of agreement. What is your specific policy as far as highway post office and railway post office clerks are concerned?

Mr. MURPHY. As you know, Congressman, I think it is Public Law 740 that provides that surplus railway clerks are to be continued in their grades or salaries without reduction in salary standing, pending a reassignment. Their salary is protected only for the days they are actually worked on the railway post office cars.

As you know, I think we currently have under consideration, taking a second look, I should say, at the reorganization that was brought about last year of the merging of the railway Postal Transportation Service with the post offices, and Mr. Nagel and the NPTA have made several proposals to us, which we are now considering. We have committees in both the Bureau of Personnel and Bureau of Operations who are working to see what we can do in order to bring about a more effective and efficient management of this system. These committees

have not had a chance to report yet. I hope they will do so in a short period of time. But certainly the salaries of those employees generally would be protected under the provisions of this bill for days actually worked, as are other employees of the postal service.

Mr. LESINSKI. Would this be a fair request from say a personal view, or would you claim that you will have these reports shortly, and therefore it will be justifiable for us to say to wait a week or two for them to submit possible recommendations, or not?

Mr. MURPHY. Well, I am not really sure whether or not the recommendations we will come up with would in any way affect the provisions of this bill. Doctor Block, can you respond to that?

Dr. BLOCK. With regard to this particular question, I wonder whether it doesn't relate to special consideration for surplus railway post office clerks, and their foremen, at such times as there is discontinuance of a line. If that is the intent of the question, it does seem to me that there would be just as many employees in other parts of the post office who would want similar protection.

For example, in a situation where a money order unit is closed down with the closing of an Army base or Army airfield, the money order superintendent is excess, and he must be reassigned. If we have a special salary saving provision for railway post office clerks, I can foresee money order superintendents also wishing special legislation to cover their excess situation.

Mr. LESINSKI. The purpose of my question is that I do not wish to leave anybody out, if I can possibly help it. I want to cover this as broadly as I possibly can, without coming back and getting it amended at a later date.

In all fairness, on the other hand, if it is found by administration that proper actions can be taken without inclusion in this bill, then I believe we should do that.

Dr. BLOCK. The postal provisions are pretty much a parallel to the Classification Act provisions in this matter. The Classification Act now does not include in its coverage situations brought about by reductions in force. Reductions in force due to curtailment of funds or work. It seems the postal people should have similar parallel coverage. I don't think that we can properly cover one group, such as the railway post office employees, and say they are not covered by the curtailment of work definition, and yet not all of the other postal employees.

Mr. LESINSKI. Meaning if a portion of a post office or an agency is discontinued, therefore they are not covered by this bill?

Dr. BLOCK. Yes.

Mr. LESINSKI. I have here a number of suggested amendments offered by Mr. MacKay last Friday, and if you do not wish to answer these questions directly today, you might want to go over them. I would like an answer on it later which would be included in the record following your statement today.

A suggestion was that section 961 (b) of chapter 25 of title 39 of the United States Code be amended by adding, after the word "performance" the following: "Employees shall be ranked on the basis of the highest skill or knowledge required in their respective positions."

Mr. MURPHY. I think we attempt, to some extent, Mr. Congressman, to do that currently. For example, I have in mind the assignment

of a level 4 clerk for example to a job on the PTS system, on the road, which is a level 5 clerk. Immediately when he goes to work on the railway post office car he is paid at the 5 level, which is a technically higher skill level.

And in the ranking of, for example, secretarial positions, where you may have to have a certain amount of stenographic knowledge, but you may only use that knowledge comparatively for brief periods of time, comparing it to the overall job, we nonetheless do pay the secretaries who have stenographic ability, even if it is required for only a brief period of time, at the higher level.

So, I don't think the Post Office Department's interpretation is absolutely rigid in considering that at least 50 percent of the job has to be at the higher level. We try to do this wherever possible, considering the job as a whole, but there are certain situations where we pay a person immediately once he is performing the job at the higher level. However, I would be very happy to take a look at this statement of Mr. MacKay and to meet with him and try to iron out any objections he may have to the way the Department currently interprets the policy. I think it is an interpretation of the Department that is at stake here, and if my interpretation is incorrect, I would like to talk with Mr. MacKay about it.

Mr. LESINSKI. As I suggested originally, we would like to have that for the record later.

We had as another requested amendment to section 964(b) of chapter 25 of the United States Code, title 39, to eliminate the requirement of a preliminary 30-day service in any calendar year in a higher salary level before being entitled to receive the higher level pay. He said, "We believe Congress intended that positions of greater responsibility should pay more and we contend employees should be paid for all time performed in such jobs."

Mr. MURPHY. Once again, I think my comments in regard to assigning a level 4 clerk to the PTS system would apply here.

We do pay the man the higher salary immediately, once he moves on the job. However, we do have a number of jobs in which we use a 30-day probational period, in order to test a man to see whether or not he works out well in performing the job, before we actually make the promotion. This period, as I understand it, is permissive within the law and is permissive within the Department.

Once again, this is something I would be happy to discuss with Mr. MacKay and also to comment on formally for your benefit.

Mr. LESINSKI. Thank you.

There is one more recommendation here, and it would only be fair that you would also confer with Mr. MacKay on this and then let us know your thoughts.

In order to prevent downgrading, we further recommend that section 992 of chapter 25 be amended to provide that "any employee who is promoted or transferred to a position in a higher salary level shall advance to the same step in the higher level which he occupied in the level from which he is promoted."

You have already been given a copy of this, so we would like to have your comments on this.

Mr. MURPHY. I will be happy to do that, Mr. Congressman.

(The comments requested follow:)

ASSISTANT POSTMASTER GENERAL,
BUREAU OF PERSONNEL,
Washington, D.C., May 2, 1961.

HON. JOHN LESINSKI,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN LESINSKI: During the hearing on April 24, 1961, on H.R. 5674 you asked the Post Office Department to comment on the proposals made in the testimony of John W. MacKay, president of the National Postal Union, given before your subcommittee on April 21, 1961.

I have carefully read Mr. MacKay's proposals and, while I note that they are presented sincerely and constructively, they are really not germane to the central purposes of H.R. 5674. The central purpose of H.R. 5674 is to provide a means of cushioning the financial shock to employees whose positions have been downgraded through no fault of their own. Mr. MacKay's proposals do not relate directly to that issue, and I do believe that to amend your bill to incorporate his proposals might seriously hamper its prospects of early passage.

In summary, these are Mr. MacKay's proposals:

1. To amend the Postal Field Service Compensation Act to require that in ranking positions, "Employees shall be ranked on the basis of the highest skill or knowledge required in their respective positions."

2. To eliminate the requirement of a preliminary 30 days of service in any calendar year in a higher salary level before being entitled to receive the higher level pay.

3. To provide that on promotion to a position of a higher salary level, the employee shall advance to the same step in the higher level which he occupied in the level from which promoted.

4. To require that all positions below supervisory levels shall be posted for bid so that the senior qualified bidder regardless of current level may be given the opportunity.

In order to assure a full understanding and appreciation of the views of the National Postal Union, an official of my staff met on April 24, 1961, with Mr. MacKay, Mr. Noreen, and Mr. Silvergleid, president, vice president, and secretary-treasurer, respectively, of the National Postal Union. Our thoughts regarding each one of the above-numbered proposals follow:

1. In ranking positions, we do take into account, as one of the most important factors, knowledges required to perform fully the duties and responsibilities of the position. We do distinguish, though, between situations in which an employee undertakes more than one assignment of a definable and whole nature as opposed to situations in which an employee undertakes a total job which does not readily break into whole definable assignments. To illustrate, there are situations where an employee performs service as a garageman (PFS-3), a motor vehicle operator (PFS-4), and a tractor-trailer operator (PFS-5). Each one of these assignments is wholly distinguishable from the other. Each has its own set of duties, responsibilities, and skill requirements. In order to establish how an employee in such a situation should be paid, we, in effect, ask this question: What is this employee's basic employment? Why has he been hired? In responding we have established that the employee's basic employment is that assignment in which he works 50 percent or more of his time. If this should be in the PFS-5 assignment he would be paid at that level for his entire work schedule, including the lower level assignments. If, however, this should be one of the lower levels than PFS-5, he would be paid in the appropriate lower level and then compensated in the higher levels either as a dual appointee under title 39, United States Code, section 3335(a), if there were sufficient regularity to his various assignments, or, if the likelihood of higher level work was less certain, under title 39, United States Code, section 3335(b).

The above kind of service is distinguished from these positions where the work activities cannot be distinguished into separate assignments. Positions are made up of a variety of tasks, some tasks requiring higher skills than others. Further, the times at which these tasks are performed do not usually follow a set routine or schedule. To illustrate, an employee whose tasks encompass typing, filing, and stenography is called upon to perform such tasks as, if, and when necessary. Percentage of time is not an important clue in deciding the salary level worth of the position. What is important is whether certain skills and knowledges are necessary for the effective performance of the duties of the

position. In this illustration, if it is determined that stenographic ability is necessary and required by evidence of its use in the position, the position would be ranked as a single entity, for example, as a clerk-stenographer, PFS-4.

During the course of the discussion with officials of the National Postal Union, referred to above, the techniques of position ranking were developed and additional illustrations were discussed. We do intend to review our regulations and guidelines in this whole area and to furnish our field personnel additional guidelines as may be necessary.

2. We believe that the 30-day requirement of preliminary service in a higher salary level before entitlement to the pay of the higher salary level is both reasonable from the employee's point of view and feasible from an administrative point of view. The purpose of providing higher level pay is to prevent the extended assignment of employees to higher level duties without additional compensation. The mere assignment of an employee temporarily to a position does not of itself constitute a determination that, from that moment on, the employee fully performs higher level service. At the same time, the limited assignment of employees to higher level work within a time period gives some freedom of administrative action. It also provides opportunities for selection, training, and orientation of employees in advance of permanent assignment to higher level work.

Last fall the Department changed part of its regulations regarding the preliminary 30 days of service in a higher level. Under this latest change employees under certain conditions are to be paid in the rate of the higher level without the completion of 30 days. For example, a clerk, PFS-4, on undertaking an assignment as a distribution clerk, railway post office, PFS-5, is paid at the higher rate from the first day of his assignment. We are constantly reassessing our regulations in this area, and we have under consideration additional prospects of liberalization.

3. We cannot agree with Mr. MacKay's proposal that on promotion an employee should be placed in the same step rate in the level to which promoted as he had before the promotion. The step rates for each level were designed to provide an annual monetary recognition of increased proficiency in the job. When a clerk, PFS-4, is promoted to the position of foreman, PFS-7, he must undertake a wholly new set of duties and responsibilities and learn many, many new tasks and develop many new insights into operations that take time to acquire. The present amount of pay increase upon promotion from clerk, PFS-4, \$5,305 per annum to foreman, PFS-7, \$5,740 per annum represents a pay increase of \$445. This is step 3 of level PFS-7. PFS-7 has seven pay steps, the top step being \$6,480. I can sympathize with Mr. MacKay that this increase is not as much as we would like to provide as an incentive to undertake higher level assignments; however, the reason for this relatively narrow differential is largely due to the more advantageous pay increases accorded by Congress to the clerical levels than to the higher levels. In the last pay increase legislation, level 4 was increased by approximately 8½ percent, whereas level 7 was increased by 7½ percent.

4. As you know, the Postmaster General has directed that all positions will henceforth be filled by the most meritorious and qualified candidate. To accomplish this we intend to consider any and all candidates. Position opportunities will be given wide publicity to assure the consideration of all interested personnel. We will, of course, give special consideration to any employee who formerly held a high level and through no fault of his own is now in a lower rate. As you will recall in my testimony of April 24, 1961, I noted that our regulations now provide that relegated supervisors are to be given preferential consideration to higher grade positions. Our regulations also provide for such consideration as regards relegated clerks.

In view of the above comments, I do not believe amendments to H.R. 5674 as proposed by Mr. MacKay are appropriate.

Sincerely yours,

RICHARD J. MURPHY,
Assistant Postmaster General.

Mr. LESINSKI. Any questions?

Mr. BROYHILL. Yes, Mr. Chairman. Mr. Murphy, I am in wholehearted favor of this legislation and wish to commend you for an excellent statement in support of it.

However, I wouldn't want it inferred that our supporting the legislation means that we are indifferent about downgrading or even recognize that downgrading isn't sometimes overdone.

I am wondering, since the postal service is a rather stable Government setup, certainly stable in comparison to the other Federal establishments, whether or not we should have as much downgrading as we actually have.

We had quite a hassle you know back in 1954 and 1955 in the Reclassification Act of postal field service. I thought we went over all those positions quite thoroughly and I am wondering why there has to be much downgrading, why can't we assign an employee to the proper position and hold him there? Where are the errors made? Maybe you can give me a couple of examples of why we have to have downgrading.

Mr. MURPHY. I think, first of all, the point made by Congressman Lesinski that the effect of this bill would result initially in a more precise classification of the job is a point well-taken. I think that if it is known that it is the policy established by Congress that we should pay a man at his higher salary for at least 2 years when we downgrade him, there is going to be a lot more thought given to the initial ranking of and classification of some of these positions. I think that is a point well taken.

I think, however, one of the reasons we get into this problem of downgrading is due to our concern for the employee. I am sure you know generally it has been the procedure in the Department to try to cushion downgrading wherever we could possibly do it, within the framework of the law. In fact, there has been a philosophy prevalent to the Department known as "Don't let anyone get hurt," where we have been very reluctant to take downgrading actions because of this problem of causing a man to lose his salary and we recognize this has a very serious effect on him. However, a lot of it comes about because of the change of the nature of the work that is being done. I think a lot of this has to do with the volume of work that is being performed. Sometimes there is a shifting from one station to another, or a shifting from a station into the main post office, in which a superintendent would have fewer persons to supervise, for example. Therefore, due to the nature and change of the workload, he therefore has a lesser level of responsibility, and consequently he therefore, under the terms of Public Law 68, has to be downgraded and reclassified at a level commensurate with his new responsibilities, to insure the money which Congress has appropriated would be properly spent. We have been very reluctant to do this in the past, because of this very problem of not wanting to adversely affect the employee. We do everything possible to try try to reassign him, create another job in another section of the post office whereby his level would be retained. But sometimes it is just impossible to do those things.

Mr. BROYHILL. Do you have much of that, Mr. Murphy?

Mr. MURPHY. Not a great deal, Congressman. I notice in a cost estimate prepared here as to what this would probably cost, we think we have about 1,000 cases a year in which this occurs. We have an annual audit, survey of positions. A lot of this is undertaken after we have been notified by the Controller's Office of changes in receipt

levels, for example in post offices, and you go in to examine the nature of a post office and whether or not a postmaster ought to be reclassified, and therefore you judge whether or not the employees he has under him should be reclassified also.

Sometimes in taking a look at these positions, based on the changes in workload and sometimes due to initial errors in the ranking where either the Department or someone wasn't too precise, we do find examples of where positions have to be downgraded and reranked. But those are not a large number. Of course they are awfully important to the fellow who happens to be caught in the action though.

Mr. BROYHILL. You don't have the problem that the Civil Service Commission has, in that you could not grant the increase of 1958 or 1960 to the downgraded postal employees?

Mr. MURPHY. That is correct, sir.

Mr. BROYHILL. You are objecting, as I understand it, in your statement, to this bill being effective in July 1960?

Mr. MURPHY. We didn't want it to be effective on that date. We would rather it take effect immediately on the first pay period after the passage of the bill, and it would include any additional salary.

Mr. BROYHILL. The language you are objecting to would bring the downgraded postal employees under the Pay Act of 1960?

Mr. MURPHY. That is right. In other words, they would still be paid on the basis of the Pay Act of 1960, but it simply would not cover those persons who have been downgraded between July of 1960 and currently. In other words, we don't want the effect to be retroactive, but prospective.

Mr. BROYHILL. Of course they got the effect of the pay increase in 1960, the ones downgraded afterward?

Mr. MURPHY. That is correct. But this would not save their salary, the people downgraded after July 1960. Rather, Congressman Lesinski's bill would save their salary and we are asking this not be done, but it apply immediately after the enactment of the bill.

Mr. BROYHILL. But on the other hand, it seems to me this kind of halfway compromises the bill as now written, because the postal field service employees should have been brought under at the same time the classified employees were.

Mr. MURPHY. I recognize it is somewhat of a compromise you have put into the bill. At the same time, we have tried to be awfully careful in the Department to try to postpone some of these downgrading actions as much as possible and stay within the limits of the law.

Mr. BROYHILL. I commend you on that, but that is the purpose of my question.

I wouldn't want any inference drawn that we are indifferent about these downgrading actions. Every caution should be taken not to downgrade an employee unless it is absolutely necessary.

Mr. MURPHY. I am in full concurrence with that, Congressman.

Mr. LESINSKI. Mr. Murphy, I have only one final observation here which you might remark upon. The bill provides an employee will have notification and confirmation of the fact he is to receive a temporary assignment at a higher pay level. Now in the Post Office Department as such, I do not foresee where this could be used to a great extent. Possibly in some very small instances where there may be a change in the type of work for instance in mechanical equipment and

so forth. I see a possibility where a department or departments might be going into a new field with the object in mind of it possibly being in the nature of an experimental intent and promote an employee on a temporary basis to head this special bureau, whatever you want to call it. Then it becomes permanent. Here the employee has gotten the impression he is on a temporary basis, but he does the work well and then the bureau, it is decided, is a good idea, let it continue.

What effect would this have upon him, the employee, because of the fact he had accepted it as a temporary position?

Mr. MURPHY. If he accepted it as a temporary assignment, and did well on the job and because of the fact he did well on the job he was then promoted to a higher level, he would, of course, be paid at the higher level. I don't know whether I exactly get the effect of the question.

Mr. LESINSKI. The thing I am trying to arrive at is simply this. Supposing you set up new equipment of some kind or some new system of handling mail, let's say. And after 2 years or whatever it may be, or after a year, you find it is a very good idea, you want to continue it as a permanent thing. In the meantime the employee you had picked to head this new system, because of the doubt in your mind whether it was a good idea or not, you appointed him as a temporary employee. After the idea has proven to be sound, the employee that you have put on on a temporary basis, how would he be affected?

Mr. MURPHY. His position would be reclassified. We would take another look at the job and rerank the job. If it required a higher level of performance, the job would be reranked. Or if it were already designated at a higher level, he of course would be paid at that level. But that would be in the nature of a reranking operation that would come to light in the nature of our annual audit of jobs, to see whether or not a new skill was required, whether the nature of the job had changed. If it had, a reranking action is taken.

Mr. LESINSKI. The purpose of my question is if an employee were promoted on a temporary basis to a new job, and the operation becomes permanent, and the qualifications of this person in the last year or two so indicate, he should be given preferential consideration for permanent employment at that level?

Mr. MURPHY. That is right.

Mr. LESINSKI. In other words, you would feel this person had done this work satisfactorily on a temporary basis in the past, so he should be promoted to a permanent position?

Mr. MURPHY. Yes, sir; I certainly do.

Mr. LESINSKI. Thank you. Are there any other questions?

Mr. DERWINSKI. Mr. Murphy, may I first compliment you on your statement and I am especially pleased by your interest in the human values of the problem we have here.

Now I note with interest that you keep referring to the Post Office Department in your statement as the management. This obviously recognizes the problem that you have as a management group in dealing with the Post Office problems. I assume it is with this thought in mind of sound management that you will be before us in a few days discussing postal rate increases?

Mr. MURPHY. I certainly hope so, sir.

Mr. DERWINSKI. I am very pleased that sound management is going to be one of the dominating thoughts of the new administration in the Post Office Department.

Now on the first page of your statement you refer to "thoughts expressed on many occasions by Postmaster General Day that we must bear in mind the impact on the individual employee of our management actions."

Then I also see that you are appreciative of the fact that downgrading, any disruption in good postal operations has a demoralizing effect on morale of personnel.

Now this leads me to one question which perhaps is slightly apart from the specific bill we are discussing, but I think in the sense we are discussing many things in the philosophical sense, I think I am in order to mention this.

I have been disturbed by the detrimental effects to individuals, the detrimental effect to the morale of the post office, and the possible detrimental effect to post office performance in general by the political appointment of postmasters in place of the acting postmasters, who the Senate refused to approve during the year 1960.

It would seem to me—this is perhaps hindsight—that when your new administration—I am speaking now of the Post Office—took over and went to work with the entire post office structure, that in keeping with the philosophy you expressed this morning, that you could have recognized the fact that men legitimately recommended, having provided legitimate, sound service, having been approved as capable and having served well, with perhaps recommendation of your regional offices, that you could have devised some method of taking these men and making them permanent postmasters, even though this would have been in violation of the old political principle of the spoils system.

Mr. MURPHY. Could I comment on that, Congressman?

Mr. DERWINSKI. Yes, please do.

Mr. MURPHY. First of all, to comment generally, we are making a sustained effort, especially in my Bureau now and in the Post Office Department generally, on Postmaster General Day's insistence, to try to make this merit promotion plan operate as it should operate under the terms of the Civil Service Act, and to try to insure that the only considerations made in promoting an individual in the Department are the kind of job he does for the Post Office and for the Federal Government, and to reward this job commensurately.

Secondly, in the appointment of postmasters, and acting postmasters, as you know, this is done under an adviser system, and the adviser happens to be, in most cases, the Democratic Congressman, when you have a Democratic administration in office, and the Republican Congressman when you have a Republican administration in office.

I think that recognizing the facts of that situation, we have tried to appoint as qualified and able people as we possibly can as postmasters; we have tried to revise the standards, tried to raise the standards in many cases for our postmasters. We have created a board, as a matter of fact, consisting of deputy Postmaster General Brawley, Assistant Postmaster General Belen, and myself to try to personally consider all people who are recommended to us by advisers for postmasters in offices doing a business of \$2 million or

over, so we can take a personal look at some of these people to assure they are qualified people and just not take any recommendation that may come to us.

So we are really making an effort to try to get the best qualified people we can possibly get for postmasters, within the framework of the adviser system, sticking to the adviser system, which Congress in its wisdom has established. We go along with it, and are in full accord with it.

However, we do insist upon the final right to pass upon the qualifications of these postmasters, and to insure they will be of a proper level to be able to run these post offices efficiently and this is of great concern to us.

So we are trying additional steps to try to see that we do get qualified people in these areas.

I understand in certain cases there have been some postmasters recommended that were on the list as acting postmasters before. But in the majority of cases of course the Democratic adviser probably would not have the same person in mind as the Republican adviser preceding him and in that case we must act in accordance with the advice received from the Democratic Congressman.

MR. LESINSKI. The appointment of a postmaster hinges upon his ability to pass certain preliminary examinations also.

MR. MURPHY. That is correct.

MR. BROYHILL. Will the gentleman yield at that point?

MR. DERWINSKI. Yes.

MR. BROYHILL. Are you following, or do you intend to follow, the same procedure insofar as the regional directors are concerned?

MR. MURPHY. Insofar as they are concerned we have a request pending before the Civil Service Commission now, in which we have requested a schedule A classification for the 15 regional directors, throughout the country.

MR. BROYHILL. Why is that? Why wouldn't that be a career appointment?

MR. MURPHY. For this reason. As you know the regional positions were created by the preceding administration, and we are making full use of the regional setup, as instituted by the preceding administration. There were some 4,000 people appointed to jobs by the preceding administration, in these regional offices. Most of these jobs are of a technical nature, some are not. But most of them are, and in the case of the 15 regional directors that were appointed, a large number of them came from the inspection service, where they were identified as either Republicans or Democrats. As you know, our inspectors are required to identify themselves so they are really the only career civil servants who are politically identified.

MR. BROYHILL. How many of those did you find unqualified?

MR. MURPHY. What we are trying to do is take a look at the regional directors and are trying to get people who are responsive to the will of the new management of the postal system.

MR. BROYHILL. You feel they should be political appointees?

MR. MURPHY. I feel they should be appointees who are responsive to the will of the incumbent administration, and ought to be placed in a schedule A category. For example, assistant to the regional director. As you know, for some reason in the preceding administration

the 15 "assistants to" were excepted and they weren't put under the civil service system. It seemed a rather odd situation to have the "assistants to" the regional director appointed by the incumbent administration, responsive to them, having their trust and confidence, and yet having the director under civil service, not appointed by the incumbent administration, in these very valuable management spots—which probably have as much power vested in them, after you get down below the Assistant Postmaster General level, as any single job we have in the postal service. They have been referred to by many people as "Little Postmasters General" and believe me, they have a great deal of authority and power in carrying out and in certain cases even making interim policies for the Post Office Department. For this reason, General Day has felt, and we strongly concur in that feeling, that at least the 15 regional directors ought to be people responsive to management; they ought not necessarily be political appointees in the sense that we take them all out of the political ranks and put them into the office of regional director. But it does mean we feel we ought to have our own people in these very vital positions in order to be absolutely certain that top management will deal with the regional director and will not use the system of dealing with the assistant to the regional director, if for some reason they couldn't feel they had full confidence in the regional directors themselves.

Mr. LESINSKI. Mr. Murphy, we appreciate your remarks. I am glad to hear the extent that the previous administration political criteria set precedence by using the best-qualified person that is available. It is a combination of both, and it makes me very happy, because of the fact we have a means of better operation of the Post Office Department.

Mr. DERWINSKI. I don't think we are getting off the point, because I think we are discussing some very basic post office procedures here, and I think that it is incumbent upon our committee early in the administration of this new management that we be told in this broad general fashion their attitude and philosophy toward operating the post office.

I think this committee wouldn't be serving its function unless, with Mr. Murphy's obvious desire to cooperate, we didn't explore this matter a little more fully. I don't think we are being political here, but being very helpful in clearing the air on possible attitudes toward the post office.

Mr. LESINSKI. I appreciate that. I mean he attempted to give us just that, and that is why I thought we ought to proceed now.

Mr. DERWINSKI. If you would permit me to ask just one question.

Mr. LESINSKI. Yes.

Mr. DERWINSKI. I was thinking, Mr. Murphy, and I hope you will agree with me, after a period of time human nature being what is you will become so dedicated to the Post Office service that the political relationship between say the Post Office Department and the other agencies of Government will be remote.

In other words, you will eventually become a dedicated Post Office official, as you get deeper and deeper into their operations. I think this could be said of the previous administration. A Postmaster General is always accused of being the political man of the Cabinet. Yet I am sure that Postmaster General Summerfield gave a lot of thought

to matters purely of a postal nature. As a matter of fact, this was sometimes a Republican complaint against him.

I could use my imagination and see perhaps 4 or 8 years from now, when you with your new management in the Post Office are now doing everything you can, devoting yourself with great idealism and great spirit to giving the American public the best possible postal service and providing the postal employees with this morale, appreciation for their efforts that you obviously want to do.

Let's suppose in 1968 we had—this may never happen—but suppose we have Republican control of the Senate and all your postmasters appointed or that is the acting postmasters appointed would be held up the way the Senate in 1960 held up Eisenhower's recommendations, wouldn't you say in theory that at that point you would honestly say this was being detrimental to proper management of the Post Office?

Mr. MURPHY. Of course, in its wisdom Congress has established the advisor system, and utilize it fully and therefore we are willing to go along with that system, and I would not be one to be in any way critical of the way that system is operating.

I would say, however, that we would find a way, I am sure to see to it that all of our postmasters were appointed as acting postmasters and we would endeavor to the best of our ability to carry on the efficient service of the postal service. But I realize, as I am sure you do, that in the appointment of postmasters, as in the appointment of rural letter carriers, there are political advisor considerations to be considered. That is the proper realm which Congress has determined that should come into play. However, in the matter of promotions to supervisory positions within the post office and what-have-you, we feel this is an improper realm. So we are trying to simply do what most other Government departments have been able to do, and that is put their promotions on the basis of a merit program and we want to do that in the Post Office system as well.

Mr. LESINSKI. Doesn't that actually go through the whole Post Office Department, where a person in a supervisory position, the three highest ranking people, aspirants to that position, the postmaster or his so-called superior has the right to pick one person out of three, be it for political consideration or personal consideration. But first of all, here you have the three highest men that he is picking from, not the so-called dregs of the force, but he is picking the three highest men available, and he has a choice of picking one of them.

I think this applies, also, to a postmaster, because of the fact he has to pass the basic examination anyhow, so I mean even if the man is Republican or Democrat, he is sufficiently qualified to run the post office, regardless of that.

Mr. MURPHY. This one-in-three rule, Congressman, applies in two situations. It first of all applies in the employment of personnel in the post office. When we initially employ people, the postmaster has three top men that are on the civil service register and he then has the option of picking one of those top three.

It also is the case in the appointment of postmasters, that where we appoint a person from outside the postal service to be the postmaster, he has to take a competitive examination and he has to score as one of the top three of the persons taking the competitive examination.

However, this does not apply in supervisory promotions within the post office.

For example, there is no requirement currently that the postmaster take the three top people who may have scored highest on the supervisory examination for promotion. So here is where we have frequently had many, many letters from public officials, including Members of Congress, in regard to the promotion of people to the position of supervisor. We are always most happy to have letters from our public officials, especially Congressmen. They have a right to be concerned about how we operate the post office and we intend to give them full reports on how we do it. But at the same time I am afraid, too often in the past, the simple fact a letter has been received from an appropriate public official, from the particular political party in power, was sometimes sufficient to enable a man to get a promotion who may not have deserved it.

We are simply trying to come to a new system, a system that especially would apply in some of our larger post offices, where you have supervisory registers that may run to 1,200 or 1,500 names, where it is simply humanly impossible for the postmaster to know all these persons personally, and we are trying to develop a new system which we hope to work on this week. As a matter of fact, we are going to send out some teams to Boston and some of the other larger post offices throughout the country, to see how we can come up with a system whereby we would have a panel of supervisors who had performed ably on the job, who will screen all the persons on the supervisory register and make specific recommendations to postmasters of three or four well-qualified people for each supervisory vacancy that exists in the post office and the postmaster then be given the option of choosing one of these three, or four, or five people recommended to him by this supervisory board.

We hope in this fashion to establish even better supervisor promotions in larger post offices especially, some system to assure that the best qualified individual will be picked for these jobs.

Mr. BROYHILL. Mr. Murphy, the pot doesn't need to call the kettle black here, but in the appointment of postmasters it has traditionally been in the partisan political realm and your administration is not changing that whatsoever?

Mr. MURPHY. That is right.

Mr. BROYHILL. However, you are establishing a precedent, insofar as the regional directors are concerned, because they were just created in the last administration. Now you are earmarking those positions which you say are occupied by people who hold "valuable management spots" as political appointments and not career positions. So you have established a precedent here in the Post Office Department during your administration, that those regional directors are going to be political appointments in the future. I don't think they have to be, I think they can be career appointments, work up through the ranks, like other positions because you have already admitted the majority of them came through the ranks anyway, when they were made regional directors by Summerfield's administration.

Mr. MURPHY. Could I make a comment there, Congressman? I wouldn't buy your statement exactly.

Mr. BROYHILL. I don't criticize you for playing politics. But there is no point in denying it, because that is what you are doing with the regional directors.

Mr. MURPHY. Might I take exception to the statement you made in regard to the fact that regional directors that were appointed by the preceding administration were all career employees that came up the ladder.

Mr. BROYHILL. I didn't say all of them.

Mr. MURPHY. They were not. I can think of several that did not come up the ladder.

Secondly, of the ones that were appointed, I don't think you would find, sir, if you examined them, that any of them were Democrats; the ones that were appointed from the inspection service were clearly identified as Republicans and I think they were thoroughly responsive to Postmaster General Summerfield's administration of the postal service as they properly should have been. All we are asking is for the equality of treatment in the appointment of our people. After all, there are 4,000 people in these offices, none of whom were appointed by the current administration, and to ask 15 of the top jobs be responsive I think is a minimum request. It is so minimum that our party people are criticizing us severely.

Mr. LESINSKI. On the other hand I do commend you on your pointed responses to the questions here, and following too the fact that you are, in spite of party politics, giving some consideration to the individual, his ability, and therefore better performance in the operation of the Post Office Department. I again commend you for the fact that we are all in politics, regardless of party, each and every person in this room is in politics in one way or another, and the fact is we do like to reward those who help us, but over and above that, we have to give consideration to an individual's ability and as to whether he will hurt or help the party and therefore that is an important criteria.

Mr. MURPHY. I concur fully, Mr. Congressman.

Mr. DERWINSKI. Mr. Chairman, may I make one comment?

Mr. LESINSKI. Yes.

Mr. DERWINSKI. I would like to tell Mr. Murphy, if you feel you are unduly criticized for not being political enough, Mr. Broyhill and I will be happy to defend you.

Mr. MURPHY. I may call upon you for assistance, Congressman. Thank you for that offer.

Mr. LESINSKI. We appreciate very much your testimony here today, Mr. Murphy, and if you will be kind enough to respond as soon as you can to the questions which I asked you, we would appreciate it.

Mr. MURPHY. We would be most happy to do that, Mr. Congressman.

Thank you for the opportunity of appearing here.

Mr. LESINSKI. The next witness, Leon Wheelless, Director of Office of Civil Personnel, Department of Defense.

STATEMENT OF LEON L. WHEELLESS, DIRECTOR, CIVILIAN PERSONNEL DIVISION, OFFICE, ASSISTANT SECRETARY OF DEFENSE (MANPOWER)

Mr. WHEELLESS. Mr. Chairman, I am happy to be here today in support of this legislation, and appreciate the opportunity to discuss with this committee the provisions of H.R. 5674, which are of interest to the Department of Defense.

Mr. LESINSKI. I am glad to see you here again before this committee.

Mr. WHEELLESS. Thank you, Mr. Chairman. The first of these provisions would have the effect of validating salary payments which have been made to certain employees eligible for salary retention under the Salary Retention Act of 1958. These payments were made under regulations of the Civil Service Commission and have subsequently been ruled to be improper by the Comptroller General.

It is believed that validation of these payments is proper and would be in keeping with the action of the Congress in the Salary Retention Act of 1956, which permitted employees whose salaries were retained under the terms of that act to receive the benefit of subsequent basic compensation increases provided by law. If this legislation is not enacted, a recovery of salary overpayments will be required from an undetermined number of employees, in amounts ranging up to \$1,500 or more.

In addition, section 101(a) (3) of H.R. 5674 would provide that the salary savings provisions of section 507 of the Classification Act of 1949, as amended, will not apply to an employee whose reduction in grade occurs as a condition of a temporary promotion. This provision is considered proper and it would provide needed administrative flexibility in such cases.

The Department of Defense, therefore, favors the enactment of title I of H.R. 5674. The provisions of title II do not apply to employees of the Department.

Thank you, Mr. Chairman.

Mr. LESINSKI. We appreciate your complete and short statement. It is well done, Mr. Wheelless.

Any questions?

Mr. Derwinski?

Mr. DERWINSKI. Just one. You say, sir, an undetermined number of employees might be required to return overpayments. Don't you have the vaguest idea? Is it 1,000, or 2,000, or 3,000?

Mr. WHEELLESS. Congressman, we asked that question earlier this week, or the latter part of last week, when we were asked to testify, and I find that the people in the military departments do not at this time have any idea. Now the reason for that is this, that the cases were processed under the Commission's regulation which appeared to make all these payments valid. They have not subsequently made any effort to try to identify those cases, because of the strong probability that they will not have to recover the payments. It is for that reason we are not able to give you any accurate estimate. I would assume there are not a great number. But as Mr. Macy pointed out in his testimony, the amounts involved will be significant for these people.

Mr. DERWINSKI. Thank you.

Mr. BROYHILL. Mr. Wheelless, there are no employees that fall into what we call the gray zone, are there? In other words, all employees have received this increase and there are none that are in a questionable category at all?

Mr. WHEELLESS. I would not say categorically there are not any who did not receive it but the best information I can get from the people who have been administering this program is it is their opinion that all persons who would have been eligible under the Commission's regulations have received the salary increases.

Mr. BROYHILL. No effort has been made to collect the repayment from any of them?

Mr. WHEELLESS. That is true.

Mr. LESINSKI. We appreciate very much your testimony, Mr. Wheelless.

Next, John W. Adler, Chief, Personnel Office, Department of Justice, accompanied by Miss Nancy Thompson, attorney.

**STATEMENT OF JOHN W. ADLER, CHIEF, PERSONNEL OFFICE,
ADMINISTRATION DIVISION, DEPARTMENT OF JUSTICE; ACCOMPANIED BY MISS NANCY THOMPSON, OFFICE OF THE DEPUTY ATTORNEY GENERAL**

Mr. ADLER. I would like to thank the committee for the opportunity of appearing here this morning. Our testimony is restricted entirely to the temporary promotion provisions of the bill, Mr. Chairman. We have filed with the committee a statement signed by the Deputy Attorney General, which, if agreeable with the chairman, I would like to read.

Mr. LESINSKI. You may proceed and read the letter.

Mr. ADLER (reading):

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice on H.R. 5674, a bill to extend to employees subject to the Classification Act of 1949, the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing and for other purposes. It is my understanding that the hearing is scheduled on this bill and related matters for 10 a.m. Monday, April 24, 1961, before a subcommittee of your committee.

The only portion of H.R. 5674 in which the Department has an interest is section 101(a)(3). This language is almost identical with that contained in section 13 of H.R. 4527, on which this Department reported by letter of April 21, 1961.

The objections by the Department to provisions in H.R. 4527 also apply to section 101(a)(3) of H.R. 5674.

Mr. LESINSKI. May I interrupt at this point to ask what your objections are?

Mr. ADLER. Simply the timing. We would like to apply to existing promotions and as the section is set up, it would apply to promotions from here on, or from the tentative date of the bill.

Mr. LESINSKI. In other words, those people temporarily promoted to a higher grade for a specific purpose with the understanding between the employer and employee that they are so promoted on a temporary basis, that they be included in the bill, also?

Mr. ADLER. That is right. I might say that our interest in this is confined and the occasion arises almost entirely in the FBI, in connection with temporary promotions to positions such as legal attaché, special agent in charge, assistant special agent in charge, and the temporary conditions of the promotion are spelled out in the action.

Mr. LESINSKI. At that point, these employees were specifically so notified, right?

Mr. ADLER. That is right.

Mr. LESINSKI. Any questions on my left?

(No response.)

Mr. LESINSKI. May I ask the Chairman of the Civil Service Commission, Mr. Macy, who is still present, for his comments on that point?

Mr. MACY. Mr. Chairman, I would like to comment along this line. I feel that as a matter of principle on employee legislation, that new provisions which may in the eyes of employees be viewed as adverse, should apply prospectively rather than to current or previous actions. I feel that even though in these cases that Mr. Adler cites the temporary nature of the promotion was clearly recognized by the employee, it would appear that we were adding through this legislation a new condition that was not known to the employee at the time the temporary promotion was accepted. I believe the legislation as presently drafted would be in line with the principle I cite, in preference to the amendment that has been suggested.

Mr. LESINSKI. In other words, Mr. Macy, what you are saying is that if there was an understanding between the employer and employee of a temporary promotion that the bill as proposed at the present time, it would be covered, whether it is today or not.

Mr. MACY. That is right.

Mr. ADLER. That would satisfy us. We thought it would apply only to promotions subsequent to the passage of the bill.

Mr. MACY. As I read the bill at the moment, it would apply prospectively; in other words, it would apply only in instances where temporary promotions were authorized subsequent to the enactment of the bill.

Mr. LESINSKI. But prior to the application of this law would not be considered.

Mr. MACY. They would not be considered.

Now there may be special circumstances involved in connection with the FBI, which would warrant, departing from this general principle that I cite. I think in employee legislation the principle of retroactivity should be avoided, unless there are certain special conditions, so there will be a clear understanding as to all of the conditions that relate to a particular personnel action, when it is authorized and becomes effective.

Mr. LESINSKI. What was the ruling of the Comptroller General on this?

Mr. MACY. On the temporary provisions?

Mr. LESINSKI. Right.

Mr. MACY. I am not aware of their ruling on that.

Mr. MELLOR. It was ruled if the temporary promotion lasted longer than 2 years, the employee was entitled to salary retention. Most

temporary promotions would not last as long as 2 years, so do not carry with them salary retention anyway. But should they be extended for such a period that they will last more than 2 years, then the salary retention law would apply.

Mr. LESINSKI. In other words, if it is more than 2 years the salary retention would apply.

Mr. MELLOR. Under the existing law, yes.

Mr. LESINSKI. Your position at that point is what now?

Mr. ADLER. Our position is that the temporary promotion, regardless of how long it lasts, should not be covered in the salary retention provision. Further, that the people who are now serving under such should be covered by this amending legislation.

Mr. LESINSKI. Wouldn't there be a tendency then to promote an individual to a specific job with the understanding that it is temporary and then just keep on bouncing these people around? I mean I am a little fearful of that. That is why I am curious about this.

Mr. ADLER. I was trying to make it clear, this relates almost entirely to the Federal Bureau of Investigation. The rest of the Department can operate well within the 2-year provision. But because of the peculiarity of their assignments, these investigative assignments, some may run more than 2 years and still be temporary in nature.

Mr. LESINSKI. In other words, may I use this as an out-of-the-air example, so one has a special assignment say in Korea, or Africa, or South America, and it might take quite a while to get all the information together and you appoint this individual on a temporary basis, with the understanding when his mission is completed he will go back to a lower position or you might hire someone from the outside to take on a special position.

Mr. ADLER. This would apply only to promotions.

Mr. LESINSKI. What bothers me, in the back of my mind, if a person is qualified for a promotion, why shouldn't he retain that position?

Mr. ADLER. Because he has to be moved out, his period of effectiveness may have ceased, because it becomes too well known in the community.

Mr. LESINSKI. May I at this point, Mr. Adler, in all fairness to you, and Chairman Macy, and the subcommittee, discuss this at a future date? I would rather they not be corrected legislation, but I can see your point, if there is some specific thing we can work out, we will be glad to go along with you.

Mr. ADLER. We agree with Chairman Macy, in connection with his statement as to retroactive effect in legislation of this type. However, we don't consider this as being retroactive, because these people are now serving under temporary appointment.

Mr. LESINSKI. Would you be so kind, Mr. Adler and Mr. Macy, to wait after the completion of the hearings here today and discuss this informally.

Mr. ADLER. We would be happy to.

Mr. LESINSKI. The next witness is Mr. Jerome J. Keating, vice president of the National Association of Letter Carriers, AFL-CIO.

Mr. Keating.

STATEMENT OF JEROME J. KEATING, VICE PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. KEATING. Mr. Chairman and members of the subcommittee, on behalf of the National Association of Letter Carriers, I want to express my appreciation for the opportunity of testifying on behalf of the bills now before this committee, generally referred to as the "downgrading" bills. The proposed legislation is not downgrading, of course; it has the purpose of correcting a situation that developed and resulted in downgrading. I want to commend the chairman of this committee, Mr. Lesinski, for his deep interest in this problem. I also want to commend Mr. Murray, Mr. Corbett, and Mr. Michel for their interest in this legislation.

It is my opinion that the bill, H.R. 5674, sponsored by Mr. Lesinski will more completely correct the injustices that developed through grade and level adjustments. It is obviously unfair for employees to suffer a reduction in pay where no demotion is involved and, in my opinion, the Lesinski bill will provide excellent protection against such injustices. I hope that this committee will take early and favorable action on this legislation. Thank you.

Mr. LESINSKI. Our next witness is Mr. Harold McAvoy, president of National Association of Post Office & Postal Transportation Service Mail Handlers, Watchmen, Messengers, Group Leaders & Mail Handlers in the Bureau of Facilities.

STATEMENT OF HAROLD McAVOY, PRESIDENT, NATIONAL ASSOCIATION OF POST OFFICE & POSTAL TRANSPORTATION SERVICE MAIL HANDLERS, WATCHMEN, MESSENGERS, GROUP LEADERS & MAIL HANDLERS IN THE BUREAU OF FACILITIES

Mr. McAVOY. Mr. Chairman and members of the subcommittee, my name is Harold McAvoy. I am national president of the National Association of Post Office & Postal Transportation Service Mail Handlers, Watchmen, Messengers, Group Leaders & Mail Handlers in the Bureau of Facilities.

At this time, I would like to thank you for the privilege of appearing before you and your committee. We are members of the AFL-CIO and the Government Employees Council.

For your information, our organization has fully approved H.R. 5431, 5398, 1813, 4527, 5674, the bills before your committee for consideration. I honestly believe that you and your committee members should give speedy and favorable consideration to the above proposals, and report out a bill that will stop the downgrading of employees, whose reduction in grade is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not effected in reduction in force due to lack of funds or curtailment of work. We feel the enactment into law of the legislation before your committee for consideration will be a great step in the right direction.

Thank you again for the privilege of appearing before you.

Mr. LESINSKI. I have a letter from Mr. Stanley Sorensen, chairman, National Association of Postal Supervisors, NAPS, supporting H.R. 5674.

(The letter is as follows:)

NATIONAL ASSOCIATION OF POSTAL SUPERVISORS, BRANCH No. 16,
Minneapolis, Minn., April 19, 1961.

HON. JOHN LESINSKI,
House Office Building,
Washington, D.C.

DEAR SIR: On behalf of the members of our organization, may I express our sincere appreciation for your efforts in our behalf.

The consideration you have shown in introducing H.R. 5674 is very gratifying. It can remove one of the most discouraging factors which affects the morale in the postal service. Thanks to men like you and our system of government, we are able to secure the correction of inequities in an orderly manner.

Sincerely yours,

STANLEY SORENSEN,
Chairman, Legislative Committee, Branch No. 16, NAPS.

Mr. LESINSKI. Without objection, I will insert in the record at this point reports concerning this legislation from the Department of Defense, Department of Justice, Bureau of the Budget, Comptroller General, and Department of Commerce.

(The reports referred to follow:)

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., April 25, 1961.

HON. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on H.R. 5674, 87th Congress, a bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing and for other purposes.

Section 507 of the Classification Act of 1949, as amended, was further amended by the act of August 23, 1958 (72 Stat. 830; Public Law 85-737) to provide that under certain circumstances an employee whose reduction in grade is not caused by a demotion for personal cause, is not or was not at his own request, and is not or was not affected in a reduction-in-force due to a lack of funds or curtailment of work, is entitled to receive for a period of 2 years, the "rate of basic compensation to which he was entitled immediately prior to such reduction in grade" while he remains without a break in service in the same department.

Some employees, whose salaries were being saved as a result of this provision, were given the benefit of subsequent increases in their "rate of basic compensation" provided by Federal pay increase legislation. The Comptroller General, in decision B-138625 of September 19, 1960, ruled that these employees were not entitled to such increases.

The purpose of sections 101 and 102 of H.R. 5674 is to amend section 507 of the Classification Act of 1949 to provide that employees entitled to its salary savings provisions will be entitled to any increases provided by law in their saved rate of basic compensation; validate any such payments which have been made; require retroactive payments to those employees affected who were not given the increases provided by this bill; and provide for the proper treatment of these payments in relation to the Civil Service Retirement Act and the Federal Employees Group Life Insurance Act of 1954.

In addition, section 101(a)(3) of H.R. 5674 would provide that the salary savings provision of section 507 of the Classification Act of 1949 will not apply to an employee whose reduction in grade occurs as a condition of his previous "temporary" promotion. Section 103 and title II of the bill do not apply to the Department of Defense.

The sections of H.R. 5674 which apply to the Department of Defense would eliminate inequities resulting from the current language in section 507 of the Classification Act of 1949 and would provide needed administrative flexibility in regard to salary saving for employees given temporary promotions. Therefore, the Department of Defense favors enactment of those sections of H.R. 5674.

70 PRESERVATION OF BASIC PAY IN DOWNGRADING ACTIONS

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely yours,

CYRUS R. VANCE.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., April 26, 1961.

Hon. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives,
Washington, D.C.*

DEAR MR. CHAIRMAN: It is requested that this report be substituted for the Department's report of April 21, 1961, on H.R. 5674, a bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

Under section 507 of the Classification Act of 1949 as amended (5 U.S.C. 1107), generally a Government employee who has held a grade for 2 or more years and who at any time after June 17, 1956, is reduced in grade is entitled to receive for 2 years thereafter the rate of basic compensation which he had received in the higher grade. There are certain exceptions to this rule.

The bill would, among other things, add a new exception. An employee who is given a conditional temporary promotion to a higher grade after enactment of this amendment, with the understanding that he subsequently will be returned to his former assignment and grade will not have the benefit of the higher salary for the 2 years thereafter, even though he may have held the higher grade in excess of 2 years. Such employee would be reduced in salary at the time he is returned to his former grade.

The Department favors enactment of this provision. With regard to the remaining provisions of H.R. 5674, these are matters for which the Department of Justice does not have primary responsibility and the Department prefers not to comment thereon.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

BYRON R. WHITE,
Deputy Attorney General.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 21, 1961.

Hon. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives,
Old House Office Building,
Washington, D.C.*

MY DEAR MR. CHAIRMAN: Reference is made to your recent request for the views of the Bureau of the Budget respecting H.R. 5674, to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates for the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes, which we understand supersedes H.R. 4527.

Title I of H.R. 5674 would make two changes in the provisions of section 507 of the Classification Act of 1949 respecting retained pay in cases of downgrading: (1) Grade reductions following temporary promotions would be expected, prospectively, from its retained pay benefits; and (2) statutory pay increases following downgrading would be added to the retained pay rate. Title II would establish in the postal field service a pay retention system in downgrading actions similar to that provided by section 507 of the Classification Act of 1949, retroactively effective as of July 9, 1960.

Title I would also correct a situation arising out of recent pay increase acts, where specific provision has been made for increases to employees in retained rates, and where the absence of specific authorization in the 1958 amendment of section 507 has caused considerable administrative difficulty.

Both titles I and II of the subject bill make provision for adding statutory pay increases to the retained rates of employees downgraded, where such increases are enacted after the downgrading. Both titles exclude downgradings following temporary promotions from the scope of the retained pay benefit. This provision has been recommended both by the Civil Service Commission and the Department of Justice for the Classification Act, and by the Post Office Department for the Postal Pay Act.

The title II provision inaugurating a pay retention system for postal employees would be retroactively effective as of July 9, 1960. Retroactive application of benefits can be endorsed only where required for correction of an inequity, or in rare cases as a compassionate measure. Neither element is present in this case and we are aware of no other justification. Any retroactive effective date discriminates against some employees. Prospective application insures that all employees benefit equally.

Accordingly, the Bureau of the Budget recommends deletion of the words "on or after July 9, 1960," in line 3, page 8, and substitution of the words "after the date of enactment of this section * * *." As so amended, the Bureau of the Budget would have no objection to enactment of H.R. 5674.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislator Reference.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 28, 1961.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: Your letter of March 17, 1961, acknowledged March 20, requests our report upon H.R. 5674.

We understand that title I of the bill is designed to accomplish four general purposes. First, it would provide permanent authority for increasing saved salary rates when general statutory pay increases are enacted.

Second, it would validate payments of saved salary made to certain employees who were downgraded prior to the effective date of the Federal Employees Salary Increase Act of 1958. Those payments were made in accordance with an erroneous instruction issued by the Civil Service Commission purportedly authorizing the computation of saved salary of the employees involved upon the increases enacted in the 1958 salary increase act. In our decision of September 19, 1960, B-138625, we held that the saved salary of such employees could not lawfully be based upon the 1958 statutory salary increases. A copy of that decision is enclosed.

Third, it would provide equal treatment for those Government employees who were downgraded prior to the effective date of the 1958 salary increase act but who did not have their saved salaries computed upon the increases provided by that act. Retroactive compensation would be authorized for the persons in that group in order that they too would have the 1958 salary increases included in their saved rates. As far as we know there are only some 30 employees of the General Accounting Office who would be included in that group and we estimate that the aggregate amount of retroactive compensation to which they would be entitled under the bill would be less than \$22,000.

Finally, it would exclude from salary savings protection an employee who accepts a promotion incident to his assignment to a particular job when such promotion is granted with the understanding and upon the condition that when the job to which he is assigned is completed he will revert back to his former grade.

We offer no objection to the basic objectives of title I. However, the term "temporary promotion" appearing in paragraph 3 of section 101(a)—lines 15 and 16, page 2—apparently would include every promotion that is made upon the condition that the employee will revert to his former grade—without salary savings protection—upon completion of the assignment for which he is promoted,

regardless of the duration of such assignment which conceivably could last for many years. If your committee contemplates that the word "temporary" be construed to limit the period for which such a conditional promotion can be used to deny salary savings protection, then we recommend that your intent be clarified in the bill or at least in your committee's report thereon.

Apparently, the word "paid" should be inserted, after the word "compensation" ending on line 2, page 7, of the bill.

The general effect of title II of the bill is to grant salary savings protection to employees in the postal field service on a basis reasonably comparable with that upon which such protection is afforded employees subject to the Classification Act. Since the extension of salary savings protection to postal field service employees involves a matter of policy for determination by the Congress, we offer no recommendation concerning the merits of this title.

As a technical matter we think that the word "chapter" should be substituted for the word "act" appearing on line 2, page 9, of the bill.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States

THE SECRETARY OF COMMERCE,
Washington, D.C., April 28, 1961.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request of March 17, 1961, for the views of this Department on H.R. 5674, a bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

H.R. 5674 amends section 507 of the Classification Act of 1949, as amended, to authorize the inclusion of increases provided by law in rates of basic compensation in the case of employees who are receiving saved rates of compensation. Provision is also made for validating payments of such increases made to employees during the 2-year period beginning on the first day of the first pay period commencing after August 23, 1958.

H.R. 5674 also amends section 507(a) of the Classification Act of 1949, as amended, to exclude from eligibility for a saved rate of compensation those employees whose reduction in grade after a temporary promotion is a condition of their temporary promotion to a higher grade. This exclusion, in our judgment, is desirable. The application of the salary savings provision to such employees is obviously inconsistent with the purpose of temporary promotions, inasmuch as it is contemplated that the employees will revert to their previous grade level and salary, or to an intermediate grade level and salary, on a permanent basis, upon completion of their temporary assignment to the higher grade position.

We recommend enactment of the bill with one minor amendment, as indicated below.

We do not understand the basis for the provision in section 102(d)(2) of the bill concerning the effective date of changes in basic compensation for group life insurance purposes. Section 102(d)(2) is as follows:

"Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (a) of this section by reason of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective as of the effective date prescribed for changes in rates of compensation for group life insurance purposes by section 17(d) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 216; Public Law 85-462)."

Section 17(d) of the Federal Employees Salary Increase Act of 1958 provides that—

"For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the enactment of this Act shall be held and considered to be effective as of the date of such enactment."

The Federal Employees Salary Increase Act of 1958 was approved June 20, 1958. The relationship between that date and the effective date (first day of the first pay period commencing after August 23, 1958) of increases in compensation authorized by Public Law 85-737 (72 Stat. 830; 5 U.S.C. 1107) is not apparent. We, therefore, recommend that section 102(d)(2) be amended to read as follows:

"Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (a) of this section by reason of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective as of the first day of the first pay period following the pay period in which the payroll change was approved with respect to such individual."

With the inclusion of the above change, we recommend enactment of H.R. 5674.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report to your committee.

Sincerely yours,

EDWARD GUDEMAN,
Under Secretary of Commerce.

Mr. LESINSKI. If there are no further witnesses, the subcommittee is adjourned.

(Whereupon, at 11:45 a.m., Monday, April 24, 1961, the subcommittee was adjourned.)

○



