

90-29
P84/10
90-29

Y4 IRREGULAR, UNSCHEDULED, OVERTIME DIFFER-
P84/10 ENTIAL FOR PFS EMPLOYEES AND TWO-STEP
90-29 SALARY INCREASE FOR EMPLOYEES MOVING
BETWEEN PAY SYSTEMS

GOVERNMENT

Storage



HEARINGS
BEFORE THE
COMMITTEE ON POSTAL OPERATIONS
OF THE
COMMITTEE ON
OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
NINETIETH CONGRESS

SECOND SESSION

ON

H.R. 14933

A BILL TO MODIFY CERTAIN PROVISIONS OF TITLE 39,
UNITED STATES CODE, RELATING TO HOURS OF WORK
AND OVERTIME FOR CERTAIN EMPLOYEES IN THE POSTAL
FIELD SERVICE, AND FOR OTHER PURPOSES

H.R. 15395

A BILL TO PROVIDE SALARY STEP ADVANCEMENTS AND
ADJUSTMENTS FOR EMPLOYEES MOVING TO AND FROM
DIFFERENT PAY SYSTEMS, AND FOR OTHER PURPOSES

FEBRUARY 21 AND 27, 1968

Serial No. 90-29

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



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1968

90-404

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

THADDEUS J. DULSKI, New York, *Chairman*

DAVID N. HENDERSON, North Carolina,
Vice Chairman

ARNOLD OLSEN, Montana
MORRIS K. UDALL, Arizona
DOMINICK V. DANIELS, New Jersey
ROBERT N. C. NIX, Pennsylvania
JOE R. POOL, Texas
WILLIAM J. GREEN, Pennsylvania
JAMES M. HANLEY, New York
CHARLES H. WILSON, California
JEROME R. WALDIE, California
RICHARD C. WHITE, Texas
WILLIAM D. FORD, Michigan
LEE H. HAMILTON, Indiana
FRANK J. BRASCO, New York

ROBERT J. CORBETT, Pennsylvania
H. R. GROSS, Iowa
GLENN CUNNINGHAM, Nebraska
EDWARD J. DERWINSKI, Illinois
ALBERT W. JOHNSON, Pennsylvania
JAMES T. BROYHILL, North Carolina
DANIEL E. BUTTON, New York
WILLIAM L. SCOTT, Virginia
PHILIP E. RUPPE, Michigan
JAMES A. MCCLURE, Idaho
FLETCHER THOMPSON, Georgia

CHARLES E. JOHNSON, *Chief Counsel and Staff Director*

B. BENTON BRAY, *Associate Staff Director*

JOHN H. MARTINY, *Counsel*

WILLIAM A. IRVINE, *Assistant Staff Director*

THEODORE J. KAZY, *Senior Staff Assistant*

SUBCOMMITTEE ON POSTAL OPERATIONS

ROBERT N. C. NIX, Pennsylvania, *Chairman*

ARNOLD OLSEN, Montana
WILLIAM J. GREEN, Pennsylvania
JEROME R. WALDIE, California
RICHARD C. WHITE, Texas

GLENN CUNNINGHAM, Nebraska
H. R. GROSS, Iowa
EDWARD J. DERWINSKI, Illinois

Ex Officio Voting Members

THADDEUS J. DULSKI, New York

ROBERT J. CORBETT, Pennsylvania

(II)

CONTENTS

	Page
Testimony of—	
Block, Dr. Herbert, Director, Personnel Program Planning and Research, Post Office Department; accompanied by Henry B. Montague, Chief Postal Inspector; Mrs. Ann Flory, Director of the Compensation Division; and Vernon Greene, Counsel.....	8
Jaspan, Daniel, legislative representative, National Association of Postal Supervisors.....	23
Montague, Henry B., Chief Postal Inspector, Post Office Department.....	11
Nilan, Patrick, legislative director, United Federation of Postal Clerks, accompanied by Don E. Dunn, executive vice president.....	33
Womack, Henry H., president, National League of Postmasters.....	29
Statement of—	
Griner, John F., national president, American Federation of Government Employees.....	41
Communications received from—	
O'Brien, Hon. Lawrence F., Postmaster General, to Hon. John W. McCormack, Speaker of the House, letter dated August 11, 1967, transmitting proposed draft of legislation (H.R. 15395).....	2
O'Brien, Hon. Lawrence F., Postmaster General, to Hon. John W. McCormack, Speaker of the House, letter dated November 1, 1967, transmitting a draft of the proposed bill (H.R. 14933).....	6
Macy, Hon. John W., Jr., Chairman, Civil Service Commission, to Hon. Thaddeus J. Dulski, letter dated February 19, 1968, in regards to a cost estimate of promotions under H.R. 15395.....	5
Macy, Hon. John W., Jr., Chairman, Civil Service Commission, to Hon. Thaddeus J. Dulski, letter dated February 15, 1968, stating the Civil Service Commission position on H.R. 15395.....	4
Rademacher, James H., vice president, National Association of Letter Carriers, to Hon. Robert N. C. Nix, letter dated February 16, 1968, regarding H.R. 14933.....	40
Rademacher, James H., vice president, National Association of Letter Carriers, to Hon. Robert N. C. Nix, letter dated February 16, 1968, regarding H.R. 15395.....	41
Additional material submitted—	
Summary of instances where current law has hindered employment of personnel, but which H.R. 15395 could ameliorate.....	22

IRREGULAR, UNSCHEDULED, OVERTIME DIFFERENTIAL FOR PFS EMPLOYEES AND TWO-STEP SALARY INCREASE FOR EMPLOYEES MOVING BETWEEN PAY SYSTEMS

WEDNESDAY, FEBRUARY 21, 1968

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

The subcommittee convened at 10:10 a.m., in room 210, Cannon Building, Hon. Robert N. C. Nix (chairman) presiding.

Mr. Nix. The subcommittee will be in order.

Today the subcommittee will take up two bills which I have introduced at the request of the Post Office Department.

H.R. 14933 is a proposal that would authorize the Postmaster General to pay a percentage differential of basic compensation to certain postal field service schedule employees serving in positions in which the hours of duty cannot be controlled administratively, and which require substantial amounts of irregular, unscheduled, overtime; night, Sunday, or holiday duty, with the employees being responsible for recognizing, without supervision, circumstances which require them to remain on such duty.

H.R. 15395 is a proposal that would give the head of an agency—for example, the Postmaster General—a means to provide a two-step salary increase as an incentive when an employee moves from a position under either the general schedule pay system or the postal field pay system, or between such systems. The purpose of this proposal is to increase the mobility of employees between positions in the different pay systems. For example, an employee would be entitled to a two-step increase when he moves from a position under the postal field service schedule to a position under the general schedule, or from a position under the general schedule to a position under the postal field service schedule.

Without objection, the letter from the Postmaster General to the Speaker of the House, transmitting the draft of the proposed bill (H.R. 15395); the report from the Civil Service Commission on the aforementioned bill, H.R. 15395; along with a further letter from the Civil Service Commission re the cost estimate of promotions under H.R. 15395, will be entered in the record. Also, without objection, the letter from the Postmaster General to the Speaker of the House, transmitting the draft of the proposed bill (H.R. 14933) will be placed in the record.

(The material referred to is as follows:)

THE POSTMASTER GENERAL,
Washington, D.C., August 11, 1967.

HON. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill, "To provide salary step advances and adjustments for employees promoted or reassigned between different pay systems, and for other purposes."

The purpose of the proposed legislation is to increase the mobility of employees between positions in different pay systems.

Most positions in the Post Office Department are in the field service and are paid under the Postal Field Service (PFS) Schedule; positions not in the field service are in the Headquarters office and are paid under the General Schedule (GS).

The separate pay systems set out above have caused serious inequities and corresponding deterrents to the movement of personnel between the headquarters and field installations, and vice-versa. Good administration depends upon the availability and use of experienced and highly competent personnel. Most frequently such personnel are available within the Federal service but their services can be obtained only to the extent that job offers can be made, not only without loss of current compensation, but also with some monetary incentive.

This is an increasingly difficult problem for the Post Office Department because under law the Department cannot guarantee an employee the promotion incentive, i.e. 2 pay steps, which is available in promotion changes taking place within the same pay system.

To illustrate:

1. Movement from a field position (PFS) to a Department position (GS).

Under present law an employee moving from a position in the Postal Field Service (PFS) to a position in Departmental Service (GS) is entitled only to the pay of the new (GS) position closest to his own without reduction.

For example: An employee PFS-5, step 5: \$6,461 per annum, if moved to a Departmental position in GS-7, is assigned to the nearest step in GS-7 without salary reduction: GS-7, step 2: \$6,664 per annum, a gain of \$203.

However, if the above move had been within the same pay system and a higher level of work was involved, the employee would be guaranteed a minimum pay increase of at least 2 pay steps.

For example: An employee PFS-5, step 5: \$6,461 per annum, if moved within the PFS pay system under circumstances set out above, would be promoted 2 levels to PFS-7, step 3: \$6,981 per annum, a gain of \$520.

2. Movement from a Departmental position (GS) to a field position (PFS). The present law provides that employees entering positions in the Postal Field Service, with few exceptions, must start at the entrance step of such positions regardless of existing salaries under the Classification Act. Thus, a movement from a position in Departmental Service to a position in a field installation requires that all entrants, with certain exceptions, start at step 1 of the level of the PFS position.

For example: A Departmental employee GS-11, step 5: \$10,481 per annum, if moved to a field installation would be required to start at PFS-11, step 1: \$9,221 per annum, a loss of \$1,260.

We believe an employee should be permitted to move from a field service position to a position in the Departmental Service and vice-versa on a "reassignment" basis without requiring that he acquire "promotion" status and, on the other hand, when the Department desires to "promote" an employee from a position in the field service to one in the headquarters or vice-versa, that it be able to give the employee a promotion guaranteeing the same benefits that an employee would get if promoted within one pay system.

It is, therefore, proposed that an employee who is promoted to a position within the Federal Service which is under a different pay system from that which he was promoted shall receive the minimum rate of the salary range to which he is changed as exceeds the minimum rate of his former range by not less than two step increases in the former range; and that the language in the statute (39 U.S.C., § 3551(a)) relating to appointments to positions in the postal field service be revised to provide for a more general use of the highest previous

rate rule in fixing the salary rate for employees moving into positions under the Postal Field Service Schedule.

Under the proposed legislation,

For example: A field service employee PFS-5, step 5: \$6,461 per annum, if moved to a Departmental Headquarters position would be placed in position GS-7, step 3: \$6,877 per annum, an increase of \$416. A Departmental employee GS-5, step 2: \$5,507 per annum, if moved to a field installation position would be placed in position PFS-5, step 2: \$5,888 per annum, an increase of \$381.

We recommend that this proposed bill be referred to the appropriate committee for consideration, and that it be enacted.

The Bureau of the Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely yours,

LAWRENCE F. O'BRIEN.

[H.R. 15395, 90th Cong. 2d sess.]

A BILL To provide salary step advancements and adjustments for employees moving to and from different pay systems, 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 5334 of title 5, United States Code, is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(2) by inserting immediately following subsection (b) the following new subsection:

“(c) An employee who, without break in service of one workday or more—

“(1) moves from a position to which this subchapter does not apply to a position to which this subchapter applies in a grade the minimum rate of which exceeds the minimum rate of the pay range from which he moves by at least the sum of two step-increases in that pay range; or

“(2) together with his position is brought under this subchapter and chapter 51 of this title, with the position being placed in a grade the minimum rate of which exceeds the minimum rate of the pay range from which he moves by at least the sum of two step-increases in that pay range;

is entitled to basic pay at the lowest rate of the grade to which he moves under subparagraph (1) or (2) of this subsection which exceeds his rate of pay immediately before his move under either of such subparagraphs by at least the sum of two step-increases in the pay range from which he moves. If there is no rate in the grade to which he moves under either of such subparagraphs which is at least the sum of two such step-increases above his rate of pay immediately before his move under either of such subparagraphs, he is entitled to—

“(A) the maximum rate of the grade to which he moves, or

“(B) a rate of basic pay equal to his rate of pay immediately before his move, if the latter is the higher.”

(b) Subsection (e) of such section 5334 (which prior to the redesignations made by subsection (a) of this section, was subsection (d) of such section 5334) is amended by inserting immediately before the period at the end of the first sentence thereof the following: “and is not entitled to a higher rate of basic pay under subsection (c) of this section”.

SEC. 2. (a) Section 3551(a) of title 39, United States Code, is amended to read as follows:

“(a) The Postmaster General may appoint any person who has been employed in a civilian capacity in any branch of the United States Government or the government of the District of Columbia to any position in the postal field service and may place him in any step of the appropriate salary level of the Postal Field Service Schedule which is less than one full step above the highest basic salary which he received from the United States or the District of Columbia, unless the provisions of subsection (d) of this section, are applicable.”

(b) Section 3551 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

“(d) Notwithstanding any provision to the contrary in this section or section 3559 of this title, the Postmaster General may—

"(1) effect the move, without break in service of one workday or more, of an officer or employee from a position in the departmental service, or an officer or employee from a position in another department or agency in any branch of the United States Government or the government of the District of Columbia, to a position in a salary level of the Postal Field Service Schedule the minimum rate of which exceeds the minimum rate of the pay range from which the officer or employee is moved by at least the sum of two step-increases in that pay range; and

"(2) effect the move, without break in service of one workday or more, of an officer or employee in the departmental service, or an officer or employee of another department or agency in any branch of the United States Government or the government of the District of Columbia, together with his position, to the postal field service, and place such position in a salary level of the Postal Field Service Schedule the minimum rate of which exceeds the minimum rate of the pay range from which the officer or employee is moved by at least the sum of two step-increases in that pay range.

An officer or employee who becomes subject to the Postal Field Service Schedule pursuant to subparagraph (1) or (2) of this subsection is entitled to basic compensation at the lowest rate of the salary level in which he is placed pursuant to such subparagraph which exceeds his rate of pay immediately before his move under such subparagraph by at least the sum of two step-increases in the pay range from which he is moved. If there is no rate in the salary level in which he is placed pursuant to such subparagraph which is at least the sum of two such step-increases above his rate of pay immediately before his move under such subparagraph, he is entitled to—

"(A) the maximum rate of the salary level in which he is placed, or

"(B) a rate of basic compensation equal to his rate of pay immediately before his move, if the latter rate is the higher."

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., February 15, 1968.

HON. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service,
House of Representatives.

DEAR MR. CHAIRMAN: This is in further response to your request for a report on a Post Office Department draft bill "To provide salary step advances and adjustments for employees promoted or reassigned between different pay systems, and for other purposes."

The Civil Service Commission strongly supports the purpose of this proposal and recommends that it be given favorable consideration.

Under existing statutory provisions, an employee must be given the equivalent of two step increases when he is promoted between positions under the General Schedule (GS) or between positions under the Postal Field Service Schedule (PFS). When an employee is promoted to a GS position from a position under the PFS Schedule or some other pay system, his salary may be fixed at any rate in the new range that does not exceed his highest previous rate. However, when an employee moves to a PFS position, either by promotion or change in assignment, he usually may not be paid above the minimum rate in the range for the appropriate PFS level.

The amendments proposed in this draft bill will extend the two-step increase requirement to employees who are promoted to positions under either the General Schedule or the Postal Field Service Schedule from a different Federal pay system. For example, an employee moving from a GS position to a higher level position under the Postal Field Service Schedule, or vice versa, would be given an increase similar to that he would have received on promotion between positions under either of those schedules. Similarly, an employee in a Foreign Service or trades and crafts position promoted to a GS position would be given the benefit of a two-step increase in his former salary range. For the purpose of these amendments, the draft bill provides that an employee is promoted when the minimum rate of the salary range to which he is changed exceeds the minimum rate of his former range by not less than two-step increases in the former range. This precludes the possibility that an employee may be given promotion benefits without being placed in a higher work level.

Another important feature of this draft bill is an amendment to 39 U.S.C. 3551(a) to allow more general use of the highest previous rate rule in fixing the salary rates for employees moving into positions under the Postal Field Service Schedule. Except in limited types of positions, employees may not now be paid above the minimum step of the salary level when they are first employed in the Postal Field Service. The Commission understands this is a serious deterrent to the Department's efforts to fill positions by transfer from its departmental service or from other Government agencies because it frequently means a reduction in the employee's rate of pay. The proposed amendment would remove the designation of types of position to which appointments may be made above the minimum rate, making it permissible to give an appointee to any position under the Postal Field Service Schedule a rate within the salary level that does not exceed his highest previous rate. This authority parallels existing practices for setting salaries when employees move to positions under the General Schedule.

In view of the efforts toward more uniform pay practices and increased mobility of employees in the Federal Service, the Commission strongly supports the enactment of the amendments proposed by the Post Office Department. The laws governing pay under the other two statutory systems for career employees (those for the Foreign Service and the Department of Medicine and Surgery) seem sufficiently flexible in their present form.

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.

By direction of the Commission:

Sincerely yours,

JOHN W. MACY, Jr., *Chairman.*

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., February 19, 1968.

HON. THADDEUS J. DULSKI,
Chairman, Committee on Post Office and Civil Service,
House of Representatives.

DEAR MR. CHAIRMAN: This is in response to an informal request from your staff for a cost estimate on promotions to General Schedule positions in other agencies under a Post Office Department draft bill "To provide salary step advances and adjustments for employees promoted or reassigned between different pay systems, and for other purposes."

The Commission does not have any statistical data appropriate for estimating the potential additional cost resulting from this proposal. Because of the differences in the types of occupations under the Government's different pay systems, however, the number of employees moving into General Schedule positions from other pay systems would be very small compared to the number of promotion actions within the General Schedule system. Thus the cost of the proposed provisions would necessarily be very small.

The small additional cost resulting from the enactment of this proposal would be far outweighed by the benefits derived from more equitable treatment of employees. Employees moving into higher level positions under either the General Schedule or the Postal Field Service Schedule will have their salaries fixed at a rate which will give them the equivalent of a two step increase in their former pay range, just as they would if their promotions had been made between positions under the same statutory system. In addition, the authority for fixing an employee's salary on the basis of his "highest previous rate" in the Federal Service, now applicable to actions under the General Schedule but only in limited categories in the postal field service, would be extended to appointments and transfers to all positions under the Postal Field Service Schedule. Each of these features of the legislation will extend to employees moving between positions under different pay systems the same equitable treatment now accorded to employees moving between positions under the same statutory system and will thereby encourage greater mobility within the Federal Service.

The Commission's strong support of this legislation has already been expressed to your committee in a formal report. Our staff will be available for any further advice or technical assistance you may desire.

Sincerely yours,

JOHN W. MACY, Jr., *Chairman.*

THE POSTMASTER GENERAL,
Washington, D.C., November 1, 1967.

HON. JOHN W. McCORMACK,
Speaker of the House of Representatives
Washington, D.C.

DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill, "To modify the laws relating to hours of work and overtime for certain employees in the Postal Field Service."

We recommend that the proposed bill be referred to the appropriate committee for consideration, and that it be enacted.

The present law (39 U.S. Code, § 3571) is inadequate with respect to certain positions in the Postal Field Service where work schedules are too irregular and subjective to follow the normal overtime procedures. Postal service officer and postal inspector positions, among others, are within this category.

It is therefore, proposed that the Postmaster General be authorized to pay a percentage differential of basic compensation to any employee in a position in which the hours of duty cannot be controlled administratively and which requires substantial amounts of irregular, unscheduled, overtime, night duty, and/or holiday duty with the employee being responsible for recognizing without supervision circumstances which require him to remain on duty.

The percentage differential proposed is to be on an annual basis, under conditions established by the Postmaster General, in amounts not to exceed 15 per centum of the employee's basic compensation, and in lieu of any other premium pay or extra pay to which he may otherwise be entitled. It would only apply to employees in positions below salary level PFS-15 and no employee would be entitled to receive pay, including the differential, which exceeds the top pay step of position PFS-17. The overtime rate of compensation would be computed on the basis of the employee's own pay step and salary or the maximum pay for grade PFS-10, whichever is the lesser. Under existing law overtime is payable only to employees below salary level PFS-15 (39 U.S. Code 3575). Its rate is based on the employee's rate of compensation or the highest step of PFS-10, whichever is the lesser (39 U.S. Code 3573(b)) and is limited to the equivalent of the highest step of PFS-17. As indicated above, these limitations are included in the proposed legislation. Further, in consideration that certain types of employees of regional offices such as Postal Field Service officers have uncontrollable overtime hours, they are removed from normal overtime provisions but along with postal inspectors are expressly given the benefits of the new section 3578.

The salaries of employees throughout the Postal Field Service generally are computed on the basis of a five-day workweek. The daily rate of compensation for such employees is computed by dividing the present annual rate of basic compensation by 260-day employment basis.

The salaries of postal inspectors are computed on the basis of a six-day workweek. The present law (39 U.S. Code, § 3541(d)(3)) requires that the daily rate of compensation for postal inspectors be computed by dividing the present annual rate of basic compensation by 312-day employment basis.

We strongly believe that it is only equitable that postal inspectors should also receive the benefits of salaries computed on a 260-day employment basis. The present law does not provide equal daily and hourly rates for equivalent annual salaries. A further inequity results since a Friday preceding a national holiday occurring on Saturday cannot be observed by inspectors as a non-workday.

Section 2 of the proposed legislation will change the method of computing the daily rate of compensation for postal inspectors by dividing the annual rate of basic compensation by 260 instead of the present 312 provided by law. The proposed change will be in accord with the general 40-hour workweek policy.

The present restrictive language in section 3544(b) of title 39, United States Code works a distinct hardship on postmasters of fourth-class post offices whose salaries are increased by reason of a change in category. Such an increase is deemed to be an "equivalent increase" thus requiring a new waiting period to begin for the next step increase even though the actual monetary amount of the increase as a result of the change may be much less than the monetary value of the step increase. Section 3 of the proposed legislation will eliminate the restrictive language in section 3544(b) so as to make postmasters of fourth-class post offices subject to the general "equivalent increase" provisions of section 3552(b) of title 39, United States Code.

The Bureau of the Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely yours,

LAWRENCE F. O'BRIEN.

[H.R. 14933, 90th Cong., 2d sess.]

A BILL To modify certain provisions of title 39, United States Code, relating to hours of work and overtime for certain employees in the postal field service, 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) the portion of chapter 45 of title 39, United States Code, under the heading "HOURS OF WORK AND OVERTIME" is amended by adding immediately following section 3577 thereof the following new section:

"§ 3578. Irregular, unscheduled, overtime differential

"(a) The Postmaster General may provide premium pay to employees subject to the Postal Field Service Schedule other than—

"(1) postmasters,

"(2) employees referred to in section 3581 of this title,

"(3) employees in salary levels PFS-16 and above, and

"(4) employees in regional offices in salary levels PFS-15 and below who are not exempted, under section 3575(a) of this title, from the provisions of section 3573 thereof,

in positions in which the hours of duty cannot be controlled administratively and which require substantial amounts of irregular, unscheduled, overtime duty and duty at night, on Sundays, and on holidays, with the employee generally being responsible for recognizing, without supervision, circumstances which require him to remain on duty.

"(b) Premium pay under subsection (a) of this section shall—

"(1) be provided on an annual basis under conditions established by the Postmaster General in lieu of any other premium pay to which the employee otherwise may be entitled, and

"(2) be determined as an appropriate percentage, not less than 10 per centum nor more than 25 per centum, of such part of the rate of the employee's basic compensation as does not exceed the maximum pay step for salary level PFS-11.

"(c) An employee may be paid premium pay under this section only to the extent that the payment does not cause his aggregate rate of compensation for any pay period to exceed the maximum rate of salary level PFS-18."

(b) That part of the table of contents of chapter 45 of title 39, United States Code, under the heading "Hours of Work and Overtime" is amended by adding—

"3578. Irregular, unscheduled, overtime compensation."

immediately below—

"3577. Workweek of postmasters in post offices of the first, second, and third classes."

SEC. 2. Section 3575(a) of title 39, United States Code, is amended to read as follows:

"(a) Sections 3571, 3573, and 3574 of this title do not apply to postmasters, rural carriers, postal inspectors, employees in salary levels PFS-16 and above, and such employees in regional offices in salary levels PFS-15 and below as the Postmaster General designates."

SEC. 3. Section 3541(d) of title 39, United States Code, is amended by striking out "postal inspectors," in subparagraphs (3) and (4) thereof.

Mr. Nix. These bills were introduced by me at the request of the administration and as a courtesy to them. I am not bound by the terms of these bills nor are the members of the subcommittee. We will write a clean bill when the subcommittee acts in executive session.

Our first witness today is Dr. Herbert Block, Director, Personnel Program Planning and Research, Post Office Department, Washington, D.C.

Dr. Block.

Dr. BLOCK. Thank you. May I have some of my associates up here? Mr. NIX. Certainly. You may introduce your associates.

Dr. BLOCK. Chief Postal Inspector Mr. Montague, who will also present a statement, Mrs. Flory, Director of the Compensation Division, and our Counsel, Vernon Greene.

Mr. NIX. I want to say this subcommittee is delighted to have them present and we extend our welcome to you.

You may begin.

Dr. BLOCK. I would also like to state that Assistant Postmaster General Mr. Murphy would very much have liked to have been present here and made this presentation. However, previous commitments precluded his presence today.

Mr. NIX. The subcommittee can readily understand that. I might say that Mr. Murphy is one of my favorite people.

Dr. BLOCK. Thank you. He is one of ours, too.

TESTIMONY OF DR. HERBERT BLOCK, DIRECTOR, PERSONNEL PROGRAM PLANNING AND RESEARCH, POST OFFICE DEPARTMENT, ACCOMPANIED BY HENRY B. MONTAGUE, CHIEF POSTAL INSPECTOR; MRS. ANN FLORY, DIRECTOR OF THE COMPENSATION DIVISION; AND VERNON GREENE, COUNSEL

Dr. BLOCK. Mr. Chairman and members of the committee, I appreciate this opportunity to testify in support of two very important pieces of legislation: To provide premium pay to certain employees, such as postal inspectors, postal services officers, and real estate officers, and to provide appropriate salaries to employees moving between two pay systems. Mr. Chairman, I especially appreciate your introducing two bills which would accomplish these purposes, H.R. 14933 and H.R. 15395.

Both of these bills are designed to recognize the value of personal services in the most direct fashion—compensation. Motivation and morale are dependent on many factors: A sense of loyalty and participation in an activity in which they have great pride; freedom to be creative and imaginative; public recognition and esteem. But these nonmonetary means of recognition are of diminishing value where uniform application of monetary means of recognition is absent in the Federal service. A proud tradition such as that maintained in the Postal Inspection Service does not deserve economic penalty. These are the essential purposes in the two bills now under consideration.

Postal officials have long been marked by their dedication to the postal service and pride in their accomplishments. But dedication and pride are useful motivators so long as all or nearly all personnel in the service work under the same "ground rules." It is one thing to disdain or not even seek overtime for certain work when everyone else has the same attitude and requirement. It is quite another situation, though, when some personnel receive overtime or special premium pay and others do not.

Premium pay for excess hours of work is a relatively new phenomenon in the postal service. Prior to Public Law 89-301, approved October 29, 1965, overtime pay was not granted to any supervisor in salary level PFS-8 or above, except for work on Christmas Day. In-

stead, they received compensatory time. Even lower level supervisors and nonsupervisory employees had fixed situations under which they could be paid for excess work. Prior to Public Law 89-301, employment on Saturdays or Sundays was covered only by compensatory time and employees who worked on holidays, except for Christmas Day, generally were given compensatory time though authority for premium pay was available.

When Public Law 89-301 was enacted in October 1965, the postal pay picture changed drastically. Most regular employees now have an assigned schedule in each workweek consisting of five 8-hour days. Employment in excess of that schedule is specifically covered by a prescribed formula for premium pay or compensatory time. The postal service has been lifted out of the antiquated system of compensatory time and into a situation where excess work for many postal employees, for the most part, results in extra dollars of take-home pay.

When Public Law 89-301 was enacted, we were not pioneering into the premium pay field, except for those provisions relating to 25 percent differential for Sunday work. Actually, we were catching up to the premium pay system which applied to the great bulk of Federal employees paid under the Federal Employees Pay Act of 1945, as amended. These are, essentially, employees whose positions are in the General Schedule (GS) of the Classification Act.

The purpose of H.R. 14933 is to provide full premium pay comparability for postal employees with that provided employees whose positions are in the General Schedule since 1954, that is, premium pay for irregular excess duty.

When Congress enacted Public Law 83-763, approved in September 1954, it recognized and provided for situations in which the normal means of paying for excess work for Classification Act personnel simply were administratively too difficult. The work requirements for certain employees did not fit the standard overtime pay provisions. The hours of work of such persons as investigators and agents could not be controlled in the usual way. Trailing a suspected criminal, for example, requires substantial amounts of unscheduled overtime work and night and holiday duty. Public Law 83-763 relieved the inequity by authorizing heads of Federal agencies, except the Postmaster General, to pay a differential in lieu of overtime up to 15 percent of the employee's basic compensation calculated at the first pay step of GS-9, currently GS-10. Public Law 90-206, approved December 16, 1967, amended this provision to read "not less than 10 percent nor more than 25 percent."

As the chairman and committee members know, postal operations are 7-day-a-week, 24-hour-a-day activities located in every city and hamlet in the country. To "get the mail out" and to assure that all administrative, legal, and public service requirements are fully met requires the services of a large number of trained specialists who can work when and where the circumstances of the moment demand. I have reference to inspectors who are pursuing criminal actions or who are rushed to a scene of a plane disaster to secure the U.S. mail, or postal service officers who must participate in both early incoming and late afternoon peak mail movements, or regional real estate offi-

cers who must work unpredictable hours to obtain the most advantageous building site for the government, et cetera.

In addition to performing duties at unpredictable hours most of these officials are required extensively to travel by auto, train, or plane. The most recent law enacted on travel, Public Law 90-206, approved December 16, 1967, directed all Federal agencies, including the Post Office Department, to avoid requiring the performance of travel during the employee's "nonduty" hours. In times when such travel could not be avoided because of "an event which could not be scheduled or controlled administratively" then overtime was payable if otherwise in order under law. (Sec. 222, Public Law 90-206.) Ironically, this new law has no application to postal inspectors and others who are now excluded from overtime pay, yet these employees are the ones most likely to be involved in emergency situations calling for unexpected travel duty.

We have not received a volume of complaints from our postal officials who have been left behind in the liberalization of premium pay for postal employees. This is a tribute to the conscientiousness of these employees. We must recognize our obligations to bring to the attention of Congress the need to have "fair compensation" among all levels of postal employees, and especially when Congress has already established a precedent for such compensation in the laws relating to other Federal employees.

H.R. 14933 largely parallels 5 U.S.C. 5545 applicable to Classification Act personnel.

1. Eligible employees would be those employees whose jobs require them to perform duty over periods which the employee considers necessary and proper. The determination as to which employees have recurring requirements for irregular, administratively uncontrollable overtime will be made under rules issued by the Postmaster General. At this time it clearly would cover such positions as postal inspector, postal service officers, and regional real estate officers. The determining factor is not whether the employee personally wishes to work excess hours, but whether the nature of his work requires him to work excess, uncontrollable hours.

Employees not eligible for differential pay for irregular duty under H.R. 14933 would be:

1. Postmasters.
2. Railway and highway postal personnel.
3. Employees in PFS-16 and above.

2. The formula for paying the premium differential would be "not less than 10 percent nor more than 25 percent" of the employee's annual salary calculated at not to exceed the top pay of PFS-11. Currently, top pay for PFS-11 is \$11,546; 25 percent of that is \$2,886. Thus, if a postal inspector, PFS-14 step 5, \$14,285 were designated or eligible to be paid 25 percent premium differential, his new annual salary would become \$17,171. His biweekly check would be based on this amount until a work pattern change caused a redetermination of his premium differential entitlement.

3. Anticipated costs of this bill assuming all eligible personnel would qualify for full 25 percent, and using the rates for phase II, effective July 1, 1968 are:

Field inspection service-----	\$3, 131, 600
Regional operation -----	1, 212, 400
Administrative costs -----	25, 000
Total -----	4, 369, 000

Our Chief Inspector, Mr. Montague is here and since the Inspection Service will be the major beneficiary of this bill, Mr. Montague has a short statement to offer.

Mr. NIX. We will be glad to hear Mr. Montague at this time.

TESTIMONY OF HENRY B. MONTAGUE, CHIEF POSTAL INSPECTOR, POST OFFICE DEPARTMENT

Mr. MONTAGUE. I appreciate having the opportunity of explaining the relationship of this bill to the work performed by postal inspectors.

The postal service is a 24-hour-a-day, 7-day-a-week business. Postal inspectors, because of the nature of their work must be subject to call accordingly.

Postal inspectors are special representatives of the Postmaster General. They are the auditing, inspecting, investigating, and law enforcement arm of the Department. Whenever there is a crime or a catastrophe affecting the mail, postal personnel, or the postal service inspectors must be on the job.

If there is a hurricane, a flood, an earthquake, or any other natural disaster the postal inspector must be in the area seeing to it that personnel, mail, and postal property are being protected and assisting in the reestablishment of service. A plane crash, a train wreck, a truck accident, where the mail is involved, requires the same response from the inspector. If there is a holdup of a postal employee on duty, a burglary of a post office, a theft of mail or postal property, the postal inspector must get there promptly. None of these occurrences are respecters of the time of day or the day of the week. They occur during night hours and on Saturdays, Sundays, and holidays as well as during regular workday hours. The nature of the work also requires that postal inspectors be away from home frequently.

These examples I have cited represent just a few of the reasons why the workweek of an inspector cannot be administratively controlled. Such circumstances arise frequently and each inspector must be the judge of when overtime is necessary.

During the current fiscal year, the workweek of inspectors is averaging 53.4 hours per week. For the past fiscal years the average workweek has exceeded 52 hours per week.

Other investigative organizations covered by the Classification Act salary law have the same situation, but they are able to pay their men a differential of up to 25 percent. It is, of course, my view that comparable recompense should be available for postal inspectors.

I would also like to point out that the provision of the bill which would permit the computation of an inspector's pay on the basis of 260 days per year—section 3541(d)—as compared to the present 312 days is only equitable. It will not increase the pay of an inspector. This section would, as in the case of the differential, put inspectors on the same basis as investigators in other agencies. I might add that because of the current 312 day base, if a holiday falls on a Saturday, inspectors must work on the preceding Friday even though that is a holiday for almost all other Federal employees. This provision of the bill would correct that situation.

Thank you, Mr. Chairman.

Mr. Nix. Thank you.

Dr. BLOCK. I am prepared to give the second half of my statement, relating to H.R. 15395.

Mr. Nix. You may continue, Dr. Block.

Dr. BLOCK. H.R. 15395 is designed to accomplish two things: (1) to reward employees for a promotion, and (2) to preclude pay cuts on reassignments between pay systems. It is axiomatic in personnel management that a promotion should mean more money for the employee promoted. The higher the monetary award received in the promotion, the greater will be the number of persons who will be interested in undertaking more difficult duties and responsibilities. True, there are some individuals who will take on a higher level job for its psychic values—but even the psychic income may become a disparagement and a burden especially as personal economic wants become more demanding.

Recognizing the value of a monetary reward as part of the incentive needed to encourage people to seek promotions, most pay systems have built into their design a monetary increase guarantee on promotions. In both the postal field service pay system and Classification Act pay system the law provides that on "promotion" the employee shall receive at least the equivalent of a two-step increase in the grade or level from which promoted. Since each salary step in grade or level is worth about 3-plus percent, a promotion usually guarantees an employee a minimum 6 to 7-percent pay increase. However, functioning of law prohibits granting this minimal pay increase on certain promotions.

The problem arises when moving between pay systems, for example, moving from the postal field service to the Department service. Such movements are treated almost like "new appointments," even if the change is a promotion.

Most positions in the Postal Establishment are in the field service and are paid under the postal field service schedule; positions in Post Office headquarters are paid under the general schedule.

The separate pay systems have caused serious inequities and corresponding deterrents to the movement of personnel between our headquarters and field installations, and vice versa. Good administration depends upon the availability and use of experienced and highly competent personnel. Most frequently such personnel are available within the postal service, but their services can be obtained only to the extent that job offers can be made, not only without loss of current compensation, but also with some monetary incentive.

This is an increasingly difficult problem for the Post Office Department because under law the Department cannot guarantee an employee the promotion incentive; that is, two pay steps, which is available in promotion changes taking place within the same pay system.

To illustrate:

1. Movement from a field position, PFS, to a Department position, GS.

Under present law an employee moving from a position in the postal field service, PFS, to a position in departmental service, GS, is entitled only to the pay of the new GS position closest to his own without reduction.

For example: An employee PFS-6, step 6: \$7,054 per annum, if moved to a departmental position in GS-7, is assigned to the nearest step in GS-7 without salary reduction: GS-7, step 3: \$7,184 per annum, a gain of \$130.

However, if the above move had been within the same pay system and a higher level of work were involved, the employee would be guaranteed a minimum of at least two pay steps.

For example: An employee PFS-6, step 6: \$7,054 per annum, if moved with the PFS pay system under circumstances set out above, would be promoted to PFS-7, step 6: \$7,557 per annum, a gain of \$503.

2. Movement from a departmental position, GS, to a field position, PFS.

The present law provides that employees entering positions in the postal field service, with few exceptions, must start at the entrance step of such positions regardless of existing salaries under the Classification Act. Thus, a movement from a position in departmental service to a position in the field installation in mail handling installation, requires that entrants, with certain exceptions, start at step 1 of the level of the PFS position.

For example: A departmental employee GS-11, step 5: \$10,945 per annum, if moved to a mail handling field installation at PFS-12 would be required to start at PFS-12, step 1: \$9,775 per annum, a loss of \$1,170.

The above illustrates our concern. We believe an employee should be permitted to move from a field service position to a position in the departmental service and vice versa on a "reassignment" basis without requiring that he acquire "promotion" status and, on the other hand, when the Department desires to "promote" an employee from a position in the field service to one in the headquarters or vice versa, that it be able to give the employee a promotion guaranteeing the same benefits that an employee would get if promoted within the same pay system.

In order to establish whether the movement from one position to another truly is a "promotion" and not simply a lateral reassignment, it is necessary that we define "promotion" in monetary terms. As pay schedules are constructed, movements between grades usually follow some pattern. This is the current structure of percentage differences within PFS salary levels and GS grades.

There follows a percentage difference:

	Percent		Percent
PFS-1		GS-1	
PFS-2	8.2	GS-2	8.8
PFS-3	8.1	GS-3	8.7
PFS-4	8.4	GS-4	11.8
PFS-5	7.1	GS-5	11.5
PFS-6	7.2	GS-6	10.3
PFS-7	7.1	GS-7	9.7
PFS-8	8.3	GS-8	9.6
PFS-9	8.2	GS-9	9.1
PFS-10	9.0	GS-10	9.5
PFS-11	10.1	GS-11	9.5
PFS-12	10.6	GS-12	18.7
PFS-13	10.7	GS-13	17.8
PFS-14	10.7	GS-14	17.3
PFS-15	10.3	GS-15	16.2
PFS-16	10.5	GS-16	14.0
PFS-17	10.6	GS-17	13.4
PFS-18	10.7	GS-18	3.2
PFS-19	9.8		
PFS-20	10.8	Average	15.0
PFS-21	10.9		
Average	9.0		

Movement from one salary level to the next higher averages about 9 percent in PFS and 15 percent in GS. But we must also take into account that each grade or salary level has a whole series of periodic step increases each one of which is worth about 3 percent and employees eligible for promotion frequently have earned two or three steps above the minimum rate. Thus, a PFS employee at the third step of his level is already, in many instances, earning as much as the first pay step of the next higher level.

A measure of definition for determining whether a movement between separate pay systems; for example, PFS to GS, ought to be defined as a promotion is a situation in which the pay difference between the job the employee is going to would have been treated as a promotion if it were in his own pay system. Such a move would be one which provided at least the standard promotion increase; that is, 6 to 7 percent. H.R. 15395 treats this movement as a promotion.

We would still need, however, a means for fairly treating reassignments or transfers between pay systems in situations where the movement did not constitute a promotion in these terms. That is a minimum of a two-step increase involved. Provision needs to be made to avoid reducing an employee's current pay on reassignment. For that reason, another change is needed in law which will relax the requirement that all new movements into the PFS system other than in regional offices or in professional positions must be in step 1 of the salary level of the PFS position.

H.R. 15395 contains all of these provisions of which I have spoken and we urge its adoption: It establishes a basis for declaring whether a job in a different pay system is in fact a higher grade for treatment as a "promotion;" it provides a promotion incentive; and it precludes pay cuts on movement to other pay systems. We estimate there will be about 150 personnel moves a year within the Post Office Department. Assuming all of these met the definition of promotion within the concept of H.R. 15395, costs would be about \$100,000 a year. We believe this is a very reasonable investment in skilled personnel necessary to

operate the postal service. Postal experience can only be acquired in the postal service and we must provide proper incentive for the advancement of qualified people to positions of high responsibility.

We consider both H.R. 14933 and H.R. 15395 absolutely indispensable to an efficient postal system.

Thank you very much, Mr. Chairman.

Mr. NIX. Thank you, Dr. Block.

I would like to direct a few questions to you on 14933. That is the first measure on which you testified. What you seek to do is to give the Postmaster General the authority to determine whether or not the services being rendered are of the type and kind which should warrant the increase in pay.

Dr. BLOCK. That's right.

Mr. NIX. Now, in the categories, you mentioned inspectors, postal service officers, and regional real estate officers; I would like to know whether or not later on there would not be an increase, a greater number, in these categories?

Dr. BLOCK. There may be. This is the group we can readily identify today as being clearly eligible because they work large numbers of unscheduled hours and their hours of work are determined largely by their own recognition of the job requirements.

Whether there will be additional ones, I believe there may be, but we are not able at this time to specify the number.

Mr. NIX. The type of legislation you would seek would not limit the number to those mentioned?

Dr. BLOCK. No, sir.

Mr. NIX. But leave it open for others to be included.

Dr. BLOCK. Yes, sir. There will be additional ones depending on the nature of the job requirement.

Mr. NIX. And depending on whether or not they come within the definition of the kind of work you are talking about?

Dr. BLOCK. Exactly this, sir.

Mr. NIX. I notice you exclude postmasters. Why?

Dr. BLOCK. Postmasters have a total responsibility for the operation of the post office. Whether they are present for duty, physically present for duty, or whether they are at home, they are responsible all hours of the day, 24 hours a day, 7 days a week, and to pay them a differential would be of questionable value. I don't think it would add to their responsibilities. It would not provide any further incentive than they now have. They are the top managers in each installation.

Mr. NIX. And the high honor of this office is ample compensation for any further work.

Dr. BLOCK. Yes, sir.

Mr. NIX. You also excluded railway and highway postal personnel.

Dr. BLOCK. They have received overtime. They have a schedule planned out for them over a period of several months. It depends on the runs of the train or the highway operation they are assigned to, whereas irregular overtime is for situations where the employee himself has to decide whether he should be on overtime.

Mr. NIX. You likewise exclude employees in PFS 16 and above.

Dr. BLOCK. Those are top officials and we feel they have enough sense of responsibility to work when, where, and under the conditions required to accomplish their role in the postal service.

Mr. NIX. I think that the measure is the soul of simplicity. I think it's obvious. I think it does speak of a category of employees who have been subjected to inequity.

The only serious question in my mind is whether or not you will close the benefit to a limited group or leave it open in contemplation of others in similar employment status.

Dr. BLOCK. It's open because it's the definition that will be controlling and not the specified jobs that will control the application.

Mr. NIX. Thank you.

Mr. Olsen?

Mr. OLSEN. Thank you, Mr. Chairman. I want to compliment Dr. Block and Mr. Montague and their folks for bringing this bill to us. I think it's a good step. I wonder whether the regular employees in the clerk or carrier levels will ever come under these provisions.

Dr. BLOCK. The only time an employee would be eligible for irregular overtime would be where the job requires that on his own determination he feels it is necessary to continue an activity.

As regards clerks and carriers, generally they can contact their supervisors. A carrier can contact by telephoning in. The clerk can also check with his foreman as to the authority to work overtime.

Mr. OLSEN. How practical is that?

Dr. BLOCK. Well, that is how we have operated. The clerks and carriers do now receive overtime under those conditions.

Mr. OLSEN. This is a little different, isn't it?

Dr. BLOCK. Yes; this is where the job itself requires that. For example, an inspector who is checking a mailbox tampering would have to be there for hours and hours on end to find out why that mailbox is being broken into. Or he might have to work at any number of hours to ferret out some other criminal activity. A real estate officer may have to deal with a person selling a piece of property for hours on end far into the night, bargaining as to what is the best price for the Government and to obtain an option to purchase that piece of land for the Government. It's something he didn't know when he walked over to the person's house that night at 7 o'clock that he wasn't going to leave until 12, but that is the nature of the job.

Mr. OLSEN. I wondered about their travel, when they have to travel on weekends.

Dr. BLOCK. That is why we think it's only fair to give these special differences, some differential in lieu of overtime. Our inspectors do a great deal of traveling on weekends. Our postal service officers do and our real estate officers do. These are people whom, on their own, have to get out to locations as quickly as possible.

Mr. OLSEN. Why should any superior be able to order them to travel on Saturdays and Sundays?

Dr. BLOCK. It isn't the superior. They know by virtue of the job if they want to get the job accomplished—

Mr. OLSEN. Would you pay them overtime under this bill?

Dr. BLOCK. This would preclude overtime for any of the irregular occasions. This is the great value of this bill. It precludes any other type of overtime, holiday pay, night differential, when the person has to accomplish his mission and it's a job that requires he perform this excess work.

Mr. MONTAGUE. May I speak for the inspection service to that, Congressman. At the present time, inspectors' salaries are figured on a 312-day-per-year basis. That is one of the features which is included in this bill for change. That now carries with it the implication that it's a 6-day-per-week job at least. There are very few jobs in that category today.

In addition, the inspectors do not have the advantages of other laws such as the 8 hours per day, 5 days per week, the 8 within 10 hours, or anything of that kind. They are required to work whenever the work is there regardless of the hour of day or the night or the day of the week, and over the past number of years we inspectors have been working an average of better than 52 hours per week without any overtime consideration at all.

This bill would bring us into this same area of consideration that is now given to other investigative agencies where they get a premium for hours in excess of 40 hours per week. Other investigative agencies are on a 40-hour-per-week basis.

Mr. NIX. Would the gentleman yield?

Mr. OLSEN. Certainly.

Mr. NIX. A postal inspector, who having worked the required number of hours in any given day, legally required number of hours, and a robbery occurs after the expiration of that number of hours, can't sit home and wait until the next day and say, my hours of work don't start until 8 o'clock tomorrow morning. He must get out on the job. That is the basis of what you are talking about?

Mr. MONTAGUE. That is correct, Congressman.

Mr. OLSEN. Do you think this is a better idea than having him tabulate his hours of overtime over more than a 40-hour week and pay him for that?

Dr. BLOCK. This is one of the reasons why in the Federal Employees Pay Act it was decided to do it on the basis of differential. The administrative paperwork would be excessively burdensome; keeping a little tab on every hour and then the countless questions as to whether overtime work was necessary and why. The paperwork would be tremendous.

Mr. MONTAGUE. In addition to that, Congressman, an inspector might start his work at a different place every morning and might end it at some other different place every night, never being at the same place twice. He would have no access to timeclocks or recording equipment that are available to the employee who is on a regular tour at a regular place of duty.

Mr. OLSEN. Thank you, Mr. Chairman. Thank you, gentlemen.

Mr. NIX. Now, Dr. Block, this pay—I am referring now to the second bill, H.R. 15395. There is asked for the Postmaster General a means to provide for a two-step salary increase. How does he go about doing that?

Dr. BLOCK. Well, we came to the decision that that was necessary by virtue of the fact many people were turning down job opportunities that were offered here in the departmental headquarters. Frequently, we were able to offer only maybe \$10, \$25, a \$100 of pay increase to come all the way from Texas or someplace here to Washington.

Even though in our mind it was a promotion and in the employee's mind it was a promotion in terms of growth in his career, it's difficult

for a man to make a major move for a small amount of money. So the idea of the two-step increase came to our attention because that is the basic requirement now in law for promotions within the PFS system.

Mr. OLSEN. Let me interrupt. The problem is, we are not paying enough money.

Dr. BLOCK. That is true. That is one of the major problems. There is compression between the various salary levels and that is a ceiling problem. If you could raise the ceiling, we could get more latitude between all the pay levels and maybe then there would be a real monetary incentive.

Mr. OLSEN. What you are doing is filling in a gap between now and the next pay raise.

Dr. BLOCK. Partially so. The other part of the answer is that many employees have progressed up through the steps. So the employee, for example, superintendent of mails, in a small office at grade 9, he is, maybe at step 10. He is way up in pay. If he is offered a grade GS-11 in the Department, it's a promotion in terms of a bigger job, but he is not going to make very much money out of the move.

Even though we do develop a larger gap between the salary levels, the series of automatic step increases still enters into the problem.

Mr. NIX. As a prelude to a few more questions, I would like to have you tell us, Dr. Block, the difference between the postal field service pay system and the general schedule pay system.

Dr. BLOCK. Insofar as promotions are concerned?

Mr. NIX. No, insofar as the amount of money that is received by the employee.

Dr. BLOCK. Each pay system provides that when a man is promoted he gets the minimum of two steps of the value of the job that he is leaving. If the promotion is within the same pay system, then automatically he picks up this 6 to 7 percent pay increase. That is not the problem.

Our problem is when we are going from PFS to GS. Under the law when you go from a PFS to a GS job, all you are getting is the salary in the GS which is closest to your own without cutting your salary.

Mr. NIX. What confuses me is why is it not true that the salaries in both levels are the same?

Dr. BLOCK. The salaries are not the same in both levels.

Mr. NIX. I am aware of that. Why not?

Dr. BLOCK. In PFS we have 21 levels. In GS there are 18 levels. There is identity between the two schedules at level 5, level 11, and level 17, but that is as far as the identity goes, other than that each schedule has its own pay adjustment.

One further reason why there is a difference in pay is that, for example, in the last pay increase Congress added 6 percent to the PFS schedule and 4½ percent to the GS schedule. So you did get a difference between the two pay systems.

Mr. NIX. We are aware of that now.

Mr. OLSEN. Mr. Chairman, I just want to help out here. I wonder if you could give us some examples of specific cases, such as computer operators.

Dr. BLOCK. I thought I brought along some copies of form 50's. I may have left them on my desk. I did have some illustrations with me.

Mr. OLSEN. Mr. Chairman, I ask unanimous consent that the record remain open for him to insert specific examples.

Mr. NIX. Without objection, so ordered.

Mr. OLSEN. Dr. Block, you don't have to name the people, but you can name the position. I think it would greatly help our situation.

Dr. BLOCK. I will have a number of cases of that nature entered in the record.

Mr. OLSEN. Go ahead and tell us about what you have in mind.

Dr. BLOCK. Here we have from our Office of Regional Administration one case of a man who is now grade 15 in the field earning \$15,921. He was offered a GS-14 and he turned the job down even though it was about a \$400 pay increase. He turned the job down. Under this new bill, if this bill passes, he will get about a \$1,000 pay increase.

There are two cases of officials in the field, both of them at PFS-16 at \$18,580.

Mr. OLSEN. Can you tell us what work they are doing?

Dr. BLOCK. The job titles?

Mr. OLSEN. Let's see what their work is. I think it would be valuable for the members to know what the field is in which they are needed for transfer.

Mr. NIX. I, of course, am deeply interested. What I want to go back to is something fundamental to my thinking.

All right, you said that you have more grades in postal field service. Did the postal field service come first and then later on the other general pay system?

Dr. BLOCK. No, the general system started first in 1923 and the structure of 15 basic rates was amended in 1949 and with three more supergrades added. The postal field grade structure started in 1955 with the PFS-1 to PFS-20.

Mr. NIX. Is it considered that the people who receive their money under the postal field service pay scale are inferior in ability to those who receive their pay under the general schedule pay system?

Dr. BLOCK. No, not in the least. That is not a consideration for the pay setting at all.

Mr. NIX. It is then those under the general schedule pay system starting at higher levels?

Dr. BLOCK. Well, they can start anywhere in the general schedule. They can start at GS-2 if it's a typist.

Mr. NIX. What is troubling me, Dr. Block, is this: assuming this becomes law and one is transferred from the field service to the general pay schedule, he meets the situation where the pay is higher in the general service, is that correct?

Dr. BLOCK. Well, he could be hired at any point in the general schedule. He could be hired as a grade 1 messenger or grade 3 typist or grade 7 management analyst. He could be hired anywhere in the general schedule. There is no point of departure in that respect, and similarly PFS, although typically we hire people as clerks, carriers, and mail handlers, automobile mechanics, and so forth, and move them up the line that way, there is no bar even in the postal field service schedule to employing people at higher than those entrance levels.

Mr. NIX. I will go back to something I know about. I propose to know about all of it before this thing is over. This is actually a promotion, isn't it, what we're talking about?

Dr. BLOCK. Yes, we want to provide an incentive for people to take on higher duties and responsibilities.

Mr. NIX. What does it do to the idea of tenure as a consideration for promotion?

Dr. BLOCK. Well, it doesn't affect tenure, civil service tenure.

Mr. NIX. Seniority is what I am talking about.

Dr. BLOCK. Actually, seniority only has to do with such matters as job assignments, tours, vacation preference, and so on; but it wouldn't have any role in promotions.

Mr. NIX. As I understand it, for certain positions in the Post Office, seniority is a very great consideration in getting promotions.

Dr. BLOCK. It's not the only consideration.

Mr. NIX. Not the only one, but one of the controlling considerations.

Dr. BLOCK. It's a concern, it's a major concern, and you have to have a certain number of years of service even to take the supervisor's examination. But seniority—perhaps your concern is whether money is the basis for determining relative seniority. That is not so.

Mr. NIX. I am not concerned with that. I am talking about promotions and the thing that is in my mind is if you are permitted to transfer X from this pay service over to the other and give him an increase, two-step increase, he might be a person that has been in the service 5 years. There might well be another man who has been there for 10 years and who has the same grade from which X is transferred.

Now, I think X would certainly feel he has been badly treated because he has 5 years of seniority over the other man.

Dr. BLOCK. Seniority would not be typically a consideration in pay setting. Seniority is used for other purposes.

Mr. NIX. Dr. Block, I thought you were going to say the answer is that X has been there 5 years and has merited this appointment where the other chap who has been there 10 years and has not been considered, therefore, he must be incompetent. I don't think that the other man would agree to that.

Dr. BLOCK. No, this is not so. We would never think of doing it in those terms. For promotion purposes, for reassignment purposes, we more often think in terms of time in grade, how many years has he actually had in this particular job rather than what is his particular pay point; that is, how much money is he drawing in this job.

Mr. NIX. Dr. Block, one of the things you actually are doing is you would like to have younger personnel, more intelligent, say, more ambitious, you would like to do the same thing they're seeking to do in private industry. That is really what is behind this, isn't it?

Dr. BLOCK. We are always anxious to get people with potential.

Mr. NIX. In court I would say that is evasive. I could put the question again, but I won't pursue it.

Mr. Olsen?

Mr. OLSEN. I think that the chairman is right at the point that interests me and I will ask Dr. Block, on this very point, isn't this why the employee organizations oppose this bill?

Dr. BLOCK. If they oppose it, I haven't heard from them. But if they oppose it, I suppose they are concerned with the relative pay standing of people in the same job with oldtimers getting less money than the newcomers. I think that might be their concern, but this always is the function, always the problem in any system in which there is a whole battery of pay steps.

Mr. OLSEN. The point is that the employee organizations are present and I haven't heard from them yet, but I am guessing they are perhaps worried that you will transfer the younger, newer person in preference to some older person with a great deal more longevity in that particular area.

Dr. BLOCK. We have no plans in that regard.

Mr. OLSEN. I mean this bill would make it possible for you to even transfer people in from another agency.

Dr. BLOCK. True, but this is the system that has been prevalent in all the other Federal Government agencies for years and years. A post office employee with current pay can go to another agency and not have his pay cut, and it's a one-way street right now. In many situations we are denied the employment of capable people because they don't want to come to work for us.

Mr. OLSEN. You want this as a management tool, so you can move the most capable people into the higher positions.

Dr. BLOCK. Not solely for that purpose. We are also concerned about employees. We are also concerned that some of our employees under present conditions have to take pay cuts if they go to a field installation.

Mr. OLSEN. We don't want anybody to take a pay cut.

Dr. BLOCK. In many situations rather than go to the mail-handling facility where they have to take a step 1, they will leave our service entirely and go to some other agency.

Mr. OLSEN. You need this as a management tool to encourage people to take greater responsibility for which they are capable.

Dr. BLOCK. Thank you.

Mr. NIX. Here again, Dr. Block, the proposal is not applicable to postmasters or to employees on road duty or to employees in salary levels, PFS-16 and above, or to certain employees in the regional office. Which employees in the regional office?

Dr. BLOCK. You have reference to the overtime bill?

Mr. NIX. Yes.

Dr. BLOCK. Because that is not in the promotion area.

Mr. NIX. That is not part of it, but I ask about the regional employees as to the first bill.

Dr. BLOCK. The reference you are making is to the regional office employee. Primarily what we have in mind as regards certain regional people is to exclude them from having fixed work schedules, from having a 12-hour maximum rule, from having special considerations regarding holiday activities and so on. They are not entitled to overtime, but there are a certain small number of regional people in reality who do not work a fixed schedule and this would permit us to recognize that kind of situation. That is the intent of another section of H.R. 14933.

Mr. OLSEN. Again I want examples about this moving of people. One example is for automobile mechanics, moving from PFS to GS.

Dr. BLOCK. There are many technicians that are not coming to the Post Office despite the fact that we need these highly trained technicians because they don't want to start at step 1.

Mr. OLSEN. It would be a cut for them so they won't come.

Dr. BLOCK. Exactly.

Mr. OLSEN. These are the examples we need, Mr. Chairman. We need specific examples of why you need this as a management tool. It's much more understandable if you give a specific example and you have got all kinds of room to load the record with them.

Mr. NIX. I think that is right. I think that is why they use the word "mobility," but the reason has just become apparent to me.

Dr. BLOCK. We have, for example, a need for trained electronics technicians.

Mr. OLSEN. Show specific examples why you need it. With this general language, no one really understands; but say specifically you need these certain kinds of technicians and the only way you can get them is to offer them an increase in pay for taking a transfer.

Dr. BLOCK. Or at least not a cut in pay.

Mr. OLSEN. Certainly, but give us an example so we can say to the full committee that this is a wholesome thing to do. At the same time, we could allay the fears of the employee organizations, because I know they are aroused. I am not just guessing. I will venture to say they are going to be against it. You have to do a selling job to them, too, and I think if you did, we wouldn't have that resistance. They have the fear you are going to have a new favoritism system in the Post Office Department. That is what they are afraid of. We can't have them thinking that way. We have to tell them that it's a wholesome thing for the benefit of the Post Office Department. That is why we need the examples.

Mr. NIX. I might add, these examples are necessary because when we go into executive session we might well have a number of members who were not here during these open sessions and to have those examples would be most informative to them.

I want to thank you, Dr. Block, Mrs. Flory, Mr. Montague, and Mr. Greene for being here, and for your statements.

Dr. BLOCK. Thank you very much.

(The following examples, asked for above, were received for inclusion in the record:)

ILLUSTRATIONS OF INSTANCES WHERE CURRENT LAW HAS HINDERED EMPLOYMENT OF PERSONNEL, BUT WHICH H.R. 15395 COULD AMELIORATE

Chicago Post Office.—Auto Mechanics from Rock Island Arsenal declined transfer to Post Office. Earnings at Arsenal \$3.20 p.h., Post Office job offer \$2.83 p.h. (step 5 would save pay).

Worden, Ill.—Postmaster, 3rd Class, PFS-7. Came from Granite City Army Engineers (23 years); took a \$1,200 a year reduction. (PFS-7, step 7 would save pay).

Houston, Tex.—Custodial laborers from Air Force earning \$2.74 p.h. declined transfer to Post Office at \$2.08 p.h. (PFS-1, step 10 would save pay).

Fort Worth, Tex.—Clerk-Steno, GS-5, step 4, from another Federal agency transferred to Ft. Worth as Clerk-Steno, PFS-4, step 1. When she realized the transfer cost her \$500 a year within two months she transferred to another Federal agency where she recovered her former salary. (step 4 would save pay).

High Spire, Pa.—Postmaster, PFS-8. Inspector was about to induct Mr. M. as Acting Postmaster when Mr. M realized his current salary at Armsted Air Base was much more than he was earning. Mr. M thought that he would be getting a step higher than step 1, PFS-8. Mr. M. declined appointment.

Oakland, Calif.—Electronics mechanic at Treasury Island Naval Base declined transfer to Post Office because offer of appointment as Mail Processing Equipment Mechanic PFS-6, step 1, \$2.94 was much below his Navy rate.

Metropolitan New York.—When Brooklyn Navy Yard closed a large number of skilled mechanics applied for jobs at New York City, Newark, Jersey City, Hackensack, Bayonne, etc. Regional Offices informed all Postmasters of requirements of law in re step 1. Postmasters said a larger number of skilled mechanics and laborers declined appointments.

Los Angeles, Calif.—Secretary, 14 years Federal experience sought transfer to Post Office; currently earning \$7,053 with NASA. Declined offer of PFS-5, step 1, \$5,651 (note step 9 would save pay).

Los Angeles, Calif.—Operating Engineer with General Services Administration at \$3.81 p.h. badly needed as Engineman PFS-6 with Post Office. Declined offer of PFS-6, step 1, \$2.94 p.h. (step 10 would save pay).

Postmasters in cities where certain Federal agencies have had reductions in-force report that many of the separated Federal employees are highly disappointed at their inability to obtain employment with the post office because the monetary loss would be too great. As a result persons with good Federal service records and experience in such specialized fields as accounting, personnel, machine mechanics, building maintenance, stenographers, procurement and supply are precluded from continued Federal employment for example:

Mail Processing Equipment & Mechanic-----	PFS-6, 7.
Automotive Mechanic-----	PFS-6.
Electronic Technician-----	PFS-9.
Automotive Mechanic-in-Charge-----	PFS-7.
Body and Fender Repairman-----	PFS-7.
Foreman Mechanic-----	PFS-8, 9.
Superintendent Mechanical Facilities-----	PFS-9.
Translator-----	PFS-6.
Typist-----	PFS-4.
Stenographer-----	PFS-5.
Custodian-----	PFS-2.
Guard-----	PFS-4.
Personnel Assistant-----	PFS-6 and above.
Safety Assistant-----	PFS-8 and above.
Compensation Assistant-----	PFS-8 and above.
Accounting Assistant-----	PFS-8 and above.
Various skilled trades:	

Carpenters, Plumbers, Electricians, Truck Drivers.

Mr. Nix. The next witness is Mr. Daniel Jaspán, legislative representative, National Association of Postal Supervisors.

Mr. Jaspán.

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

Mr. JASPÁN. Mr. Chairman, I don't have a prepared statement, but I would like to state some observations about the bills being considered.

The first one is H.R. 14933 for premium pay differentials. We agree with the basic idea completely. We don't have any objection to what is offered in the bill, but we would like to have it extended.

We feel in the postal field service there is need for further adjustment in the present regulations. Prior to Public Law 89-301 which was effective October 29, 1965, all postal supervisors, regardless of level, were paid or granted compensatory time for all service performed in excess of 8 hours daily or 40 hours per week. That included everybody below the postmaster.

Public Law 89-301 which gave the Postmaster General the option of paying or granting compensatory time to employees above level

7 restricted that option to the first 14 levels. Those employees in levels 15 and above could be made to work any number of hours without additional pay or compensatory time.

Then Public Law 89-504, July 18, 1966, made payment mandatory in lieu of compensatory time through level 10 which is now level 11, with the Postmaster General granted the option of granting pay or compensatory time through level 14, now level 15, again with no pay or compensatory time above the present level 15.

Public Law 90-206 passed last year did not eliminate this inequity but merely changed the wording to conform with the upgrading of the levels by one.

Mr. Chairman, we have a number of members who are in these levels, levels 16 and above, whose job requires them to work more than 40 hours a week. They have irregular hours. They conform with the principles of the bill being considered, but they do not get any pay. They do not get time off for it.

Prior to 1965 they did get time off. Now they are getting nothing. Dr. Block had something in his statement we could have used as a preamble to ours when he said, "These nonmonetary means of recognition are of diminishing value where uniform application of monetary means of recognition is absent in the Federal service."

Now, there is monetary means of recognition below these upper levels. Just as an example of one in particular, I am thinking of a man who worked a number of hours during the Christmas period in 1965. When this restriction was put in—I don't know how many hours he worked, but I know he worked extra hours every day. He worked weekends. He worked holidays. He did not get time off. He was in the hospital the following 2 months for surgery and recuperation. He had to use his sick leave for that whole period. Now, under ordinary circumstances, at least he could have had compensatory time in order to conserve his sick leave.

We believe it's patently unfair to pay or compensate certain levels and cut it off at those levels. We could never understand, Mr. Chairman, why it was cut off at the present level 16. We believe that the Post Office Department apparently equated that to supergrades, but there is no comparison between PFS-16 and a supergrade, salarywise particularly.

Supergrade 16 starts at \$20,000 a year. Our PFS-18, the highest level supervisor at the present time, starts at \$17,803. That is more than a \$3,000 salary differential between the lowest supergrade and the highest grade supervisor.

We would like the committee to consider, Mr. Chairman, amending the present law, when you take up H.R. 14933 to amend section 3575 (a) of title 39, United States Code, by inserting "and" before "postal inspectors," inserting a period after "postal inspectors" and striking out the remainder of the sentence.

What that would do would just provide giving compensatory time to the supervisors in levels 16 and higher which were excluded since 1965 and would still be excluded under that excellent provision you have which we endorse fully, H.R. 14933.

I have an amendment written out, Mr. Chairman, for the record that I will submit.

Mr. NIX. The amendment will be placed in the record without objection.

(The amendment referred to is as follows:)

NATIONAL ASSOCIATION OF POSTAL SUPERVISORS PROPOSED AMENDMENT TO H.R.
14933

Amend section 3575(a) of title 39, United States Code, by inserting "and" before "postal inspectors", inserting a period after "postal inspectors" and striking out remainder of sentence.

Mr. JASPAN. As far as the rest of the bill, as I said before, we do approve it and hope it will be passed but that it will include the proposed amendment.

Mr. NIX. Can you agree with the basic purpose of the legislation?

Mr. JASPAN. I think it's fine legislation.

Mr. NIX. The basic purpose as incorporated in the amendment you placed in the record.

Mr. JASPAN. If you incorporate the amendment, I think it will be a perfect bill.

Mr. NIX. And the reason for your disagreement is you feel there should be a category to put in the supervisors?

Mr. JASPAN. We don't even ask for as much as this bill provides. This bill provides a differential up to 25 percent. We just ask for even granting compensatory time to these people which would be of no cost to the Post Office Department.

Mr. NIX. Of course you mentioned supervisors. You are not dealing with employees serving in positions in which the hours of duty cannot be controlled administratively and which require substantial amounts of irregular and unscheduled overtime, et cetera, and where the employee himself recognizes the necessity for going on and working. That is a different class from the class that you would include under the benefits of this proposed legislation.

Mr. JASPAN. No, Mr. Chairman. These people also have irregular hours and sometimes uncontrolled overtime that they put in, or uncontrollable. The conscientious employee in these levels will not leave the office if there is any problem to be solved. He may be called in at extra times if there are some problems that come up. Of course, he wouldn't have the dangers some of the postal inspectors have.

Mr. NIX. Leaving the dangers out, Mr. Jaspán, it's your contention that the class whom you would include fall within the type of work generally of those that are included in the bill.

Mr. JASPAN. I would say so.

Mr. NIX. The same kind of hours that are necessary and that cannot be administratively controlled and in which the employee himself must recognize the necessity, the compelling necessity to do this work.

Mr. JASPAN. I think so. This is particularly true, Mr. Chairman, around the Christmas period. It may be true other times of the year, but this is particularly true at Christmas.

Mr. NIX. You say there are no provisions in the law to adequately and justly compensate the persons mentioned by you.

Mr. JASPAN. There have been none since 1965. There were previous to that time.

Mr. NIX. Since 1965?

Mr. JASPAN. Yes, sir.

Mr. NIX. Have you made reference to the particular statutory law?

Mr. JASPAN. That is in this proposed amendment.

Mr. NIX. Thank you very much, Mr. Jaspán.

Mr. JASPAN. Now, Mr. Chairman, I'd like to offer some testimony on the other bill being considered, H.R. 15395, the bill to grant a two-step increase upon transfer or promotion from one pay schedule to another.

This bill we are completely opposed to, Mr. Chairman. We don't think that there is an altruistic purpose in having the bill introduced and in our opinion it's the implementation of the Seattle pilot project, so-called career development program, to move postal employees from one post office to another and to make it more attractive.

We appeared before this committee a short time ago testifying on the political activity in promotions, assignments, et cetera. In our opinion this is another attempt to implement politics in the Post Office. We believe that it would be used basically to move postal employees around from one office to another by making it more attractive, and we always opposed moving postal employees from one office to another.

In our opinion they can always find employees in the same office who can perform the job and who can probably do it better because they are not only more familiar with the community where they live but they have worked with the other employees.

In addition there is considerable resentment if somebody comes from another office into a post office; because the opportunities for promotion are very, very limited as it is. At the present time there is only 10 percent out of the postal field service in levels 8 and higher. Level 8 is basically the first supervisory level. There are some lower.

Mr. NIX. I hope you will forgive me for interrupting. I would like to interrupt you at this point and ask you how you arrived at the conclusion that to move people from one post office to another, one city to another, has any connection with politics.

Mr. JASPAN. Mr. Chairman, we have had indications of it within the same post office.

Mr. NIX. Go right ahead.

Mr. JASPAN. We have had indications of it within the same post office. In our opinion the Seattle pilot operation is just going to be an extension of politics in the Post Office.

Mr. NIX. I just want to get the relationship between the two things. However, it has been pointed out that this bill has nothing to do with transfer of personnel from one post office to another.

Mr. JASPAN. They would still be able to move people from the Post Office Department into a post office in another city, from another agency into the Post Office; but we didn't say this is part of the Seattle plan, but an implementation of the Seattle plan.

Now, for example, they could take people who are in GS-3 or GS-4 and bring them into the postal field service for a PFS-7 or PFS-8, any level or any grade as they call them in the general schedule, and bring them in the Post Office. They could bring them into the Post Office at a higher level or higher step in the level than those employees who are already there.

It took us years, Mr. Chairman, to partially rectify a bad condition in the postal service whereby junior employees were promoted and were put into a higher step and receiving a higher salary than those who were already in that level. This system would just aggravate that condition and bring it about again, making it much worse than it ever was. Some of these people could have been promoted very rapidly.

Mr. Chairman, one of the things that is generally overlooked in the postal field service as I mentioned above is the opportunity for promotion is very limited with only 10 percent of the positions being in level 8 or higher. In the general schedule a person can go from a GS-5 to a GS-7, to a GS-9, to a GS-11. They don't use even numbers. They are promoted on odd numbers. There are a few in the even, but very few. They can, if H.R. 15395 is approved, go from a 5, to a 7, to a 9, to an 11 in 5 years and be transferred to the postal field service and go above a man with 25 years' service.

This doesn't make sense to us. We don't believe that this bill should be considered favorably under any circumstances.

Mr. Nix. Mr. JASPER, I think it would be most helpful to the subcommittee if you would submit a statement covering each point in disagreement and setting forth the reasons for your disagreement to each point and particularly that point of disagreement when you mention the morale in the offices where this practice obtains.

Mr. JASPER. We see many examples of a lowering of morale because the Post Office Department right now has placed people in offices coming from other communities. It has been done, as we pointed out in our statement a couple of weeks ago, when 78 supervisors were bypassed in the Post Office by an acting postmaster with 3 months' experience who said those 78 supervisors were not qualified to be assistant postmasters. That did not make sense to us. How can an acting postmaster with 3 months' experience coming from outside the postal service say 78 supervisors are not qualified and these are the examples we are afraid of, Mr. Chairman.

There would be much more of that, taking people from other agencies and just saying they are better qualified. Incidentally, Mr. Chairman, you cannot protest a promotion on the basis of qualification. That is not grounds for a protest.

Mr. Nix. What about the situation where in the same post office one man has been in the service 5 years and he is at the same grade with another man who has been in service 10 years and the man of the 5 years' service is then promoted. In effect, he is promoted from the postal field service to the general schedule pay system and receives a two-step increase. How would this affect the morale of the people in that post office?

Mr. JASPER. Well, I don't think the morale would be adversely affected because that is being done. We do have people going from the postal field service. They don't get the two-step increase, but there is no objection if somebody leaves the Post Office.

Mr. Nix. If they get the two-step increase, would that damage the morale?

Mr. JASPER. I don't believe so, Mr. Chairman. They don't mind somebody leaving. They object to somebody coming in.

Mr. Nix. This is interesting. They don't mind the promotion within the office, the particular office, among the personnel in that particular

office, but they would object to bringing someone in from some other office or some other city.

Mr. JASPAN. Or some other agency.

Mr. NIX. Or some other agency, they would object.

Mr. JASPAN. There would be strong objection.

Mr. NIX. So if the bill confined itself to people in the same office, you would have no objection.

Mr. JASPAN. At the present time we have the two-step promotion. If they are promoted in the same office, they now get the two steps, or more.

Mr. NIX. Then I am trying to reduce it to something I can understand. I take it then you would have no objection if the promotion—and I term it a promotion because everybody else has said it is—is from the postal field service to the general schedule pay system in the same office, even though they were given a two-step increase, there would be no objection.

Mr. JASPAN. The postal people would not object. Maybe the general schedule—

Mr. NIX. It would not be damaging to the morale?

Mr. JASPAN. No, not in the post office but possibly in the general schedule agency.

Mr. NIX. Under the law presently I think you said the promotion can be accomplished but not on a two-step pay increase, correct? That one part you are not objecting to, but on the reverse view, you are objecting to coming back from general schedule pay to the postal field service?

Mr. JASPAN. Yes, sir; that is what we are opposed to, coming into the postal field service. We can't speak for the other agencies. I believe they will have spokesmen.

Mr. NIX. The only reason you don't object is because you are not in a position to speak for them?

Mr. JASPAN. That is right. They would have to speak for themselves concerning somebody going from the postal field service to the general schedule, the Classification Act employees.

Mr. NIX. It might be if they explained it you would agree to it?

Mr. JASPAN. No, we do not agree to somebody coming from the general schedule or some other agency into the Post Office, from the general schedule to the postal field service.

Mr. NIX. Why can't you agree?

Mr. JASPAN. As mentioned before, one of the things is it breaks down morale. The other is a creation of a number of junior-senior inequities whereby some people who were junior, possibly many, many years junior, and would go to the higher step ahead of the ones who have served 20 and 25 years in the postal field service schedule.

Mr. NIX. It's difficult for me to understand why this does not obtain with the reverse. The same conditions are true so far as people who have been in the service a long time not being selected for the promotion, people who have been in the service a short time being selected over people who have been there a long time. The same conditions obtain.

Mr. JASPAN. Generally within the same agency, the ones that are there a short time are not selected over the ones that have been there a long time.

Mr. NIX. But this would give them the right.

Mr. JASPAN. This would give them the right to go from one agency to another and go into the higher step over those who have been there a long time, and that is one of the things we object to.

Mr. NIX. I still reiterate my statement that it would be most helpful if your objections are set forth in detail, point by point. I think it would be most informative to the subcommittee.

Mr. JASPAN. I will be glad to do it, Mr. Chairman.

Mr. NIX. Thank you, very much, Mr. Jaspán.

Mr. JASPAN. Thank you very much.

Mr. NIX. Our next witness is Mr. Henry Womack, president, National League of Postmasters.

Mr. Womack, it's good to see you again.

Mr. WOMACK. I am glad to see you. I hope I fare better than I did last time.

Mr. NIX. You are always welcome.

TESTIMONY BY HENRY H. WOMACK, PRESIDENT, NATIONAL LEAGUE OF POSTMASTERS

Mr. WOMACK. Mr. Chairman, thank you for the opportunity to appear before this distinguished committee. Your courtesy to me is always deeply appreciated.

My statement, Mr. Chairman, will be rather short. Indeed, it has to be, for in our opinion there can be no valid reason for not paying an employee his worth. There is no question in my mind that loyalty and devotion to duty, rather than the amount of money involved is the motivation behind our postal inspectors and postmasters. I hope that this bill can become law at a very early date.

In this connection, Mr. Chairman, I would hope that the committee would see fit to add to the provisions of this bill, a rider which will require that the postmaster and the supervisor be paid more than anyone he supervises.

And if I could deviate for a moment, I appreciate Dr. Block's statement that postmasters are on duty 7 days a week, 24 hours a day actually, and I just cannot see that it makes sense to pay him less than somebody who is on duty only 8 hours a day, 5 days a week. Everybody is all for my proposal, but unfortunately, no action has been taken on it.

In case after case, we find the postmasters drawing less pay than some of the employees in his office. We believe that this is wrong, that it is poor fiscal policy. This bill in its present form goes a long way toward eliminating inequity in our salary structure and I would fervently hope that my proposal to you this morning could be adopted and this will carry us even further toward what I believe is the aim of Congress, and that is to deal fairly and equitably with every postal employee.

I will attempt to answer any questions you may have.

Thank you very much, Mr. Chairman.

(The following proposed amendment was submitted by Mr. Womack, for inclusion in the record:)

PROPOSED AMENDMENT RE "SPECIAL COMPENSATION RULES"

On the committee print dated March 23, 1966, page 17, line 19 following the word "retained" add the following paragraph:

"COMPENSATION FOR POSTMASTERS"

Section 3106 of title 39, United States Code, shall be amended as follows:

Add (a) to existing paragraph.

Add (b) to read as follows:

"(b) The Postmaster General is authorized to increase the salary of postmasters by steps in each instance where he finds the postmasters' current salary level and step are such that he receives less annual salary than any subordinate in that post office. Thereafter the postmaster under this provision shall move into additional steps within their level only as necessary to maintain salary superiority to a subordinate or in accordance with earned longevity increases. For purposes of this section, all employees in a post office are subordinate to the postmaster."

Mr. NIX. Thank you, Mr. Womack.

Another thing that amazes me is I hear so many people who talk about the prevalence of political influence in the post office, in the appointment of postmasters, and I am just amazed that the postmasters receive less than some of their people whom they supervise. They would have been on the necks of every Congressman that ever sat, it would seem to me; so that in some measure negates that political influence has been so impressive in this field in my thinking.

Mr. WOMACK. I certainly agree with you 100 percent.

Mr. NIX. I think it might be helpful for us, Mr. Womack, if you submitted to the committee a scale of pay that you think postmasters should receive over the country.

Mr. WOMACK. Well, my answer to that—and I would be happy to do that—would be that he be paid more than anybody in his office is paid.

Mr. NIX. But how much more?

Mr. WOMACK. If it's only a dollar, it's the prestige of the thing. He is the boss, but he doesn't get paid for it. There is a bill, H.R. 11315, which was introduced, as you perhaps know—

Mr. NIX. I think it does raise very serious problems because the postmaster is the boss.

Mr. WOMACK. He likes to think he is.

Mr. NIX. It's a singular thing this has not been pursued vigorously before.

Mr. WOMACK. Perhaps I haven't done my job well enough, but I hope my members don't take it that way.

Mr. NIX. Do you think, Mr. Womack, that morale in the post office is going to be seriously damaged if these promotions are carried out in this manner?

Mr. WOMACK. I hate to find myself in disagreement with my good friend, Dan Jaspan, but I can't see that it would be seriously affected. I think we have to recognize talent wherever we find it and that was the reason that my statement was so emphatic here the other day which raised the ire of one of the gentlemen.

We find talent both in and out of the post office. We want a better postal service. I think that is the aim of at least most all of us, and some means has to be developed where we can utilize this talent.

Mr. NIX. You see, every time I go home—that is every week—I am accosted by an average of five postal employees. Three of any given five will say to me, I have been in the postal service 15 years or 20 years and I am seeking a promotion, and I don't see any probability of the number lessening so that is a cross that I am going to have to bear. It's a problem I expect to have with me for some time.

Mr. WOMACK. An employee's morale shouldn't be low because someone was promoted over him. It should be low because he didn't have the initiative and talent to do the job, and perhaps it would encourage him to do it.

Mr. NIX. Do you have any position on H.R. 15395?

Mr. WOMACK. You mean the second part of the bill?

Mr. NIX. Yes.

Mr. WOMACK. This last part that we just discussed, we have no particular objection to it as the bill is written; no, sir. We do not.

If I could just add one thing—and certainly Dr. Block did very well as he always does—on this PFS schedule and GS schedule, as to how that came about, if you will remember, we used to have a Post Office Committee and a Civil Service Committee, two separate ones, and there was a merger of the two, a merger, as I recall, in 1938, but no children were ever borne. It just grew up like Topsy.

Mr. NIX. Thank you very much, Mr. Womack.

Mr. WOMACK. Thank you, sir.

Mr. NIX. The subcommittee will stand adjourned until next Tuesday, February 27, 1968.

(Whereupon, at 11:35 a.m., the subcommittee adjourned, to reconvene Tuesday, February 27, 1968, at 10 a.m.)

18

IRREGULAR, UNSCHEDULED, OVERTIME DIFFERENTIAL FOR PFS EMPLOYEES AND TWO-STEP SALARY INCREASE FOR EMPLOYEES MOVING BETWEEN PAY SYSTEMS

TUESDAY, FEBRUARY 27, 1968

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

The subcommittee was convened at 10 a.m. in room 210, Cannon Building, Hon. Robert N. C. Nix (chairman), presiding.

Mr. Nix. The subcommittee will be in order.

The hearing today is a continuation of hearings on H.R. 15395 and H.R. 14933. The first witness today is Mr. Patrick Nilan, legislative director, United Federation of Postal Clerks. Mr. Nilan.

TESTIMONY OF PATRICK NILAN, LEGISLATIVE DIRECTOR, UNITED FEDERATION OF POSTAL CLERKS, ACCOMPANIED BY DON E. DUNN, EXECUTIVE VICE PRESIDENT

Mr. NILAN. Thank you, Mr. Chairman. I would appreciate it if I may have our executive vice president, Mr. Don Dunn, join me at the witness table.

Mr. NIX. We would be honored to have him. We welcome both of you, and you may proceed.

Mr. NILAN. Mr. Chairman, for purposes of identification, and as you mentioned, my name is Patrick Nilan. I am legislative director of the United Federation of Postal Clerks, and I am accompanied this morning by Mr. Don E. Dunn, who is executive vice president of our organization, and both of us appreciate very much the opportunity to appear before your committee this morning on the two pieces of legislation which your committee is concerned with at the present time.

First, in regard to the proposal which you have authored, H.R. 14933, which proposes to improve the premium pay differential for certain postal field service employees and positions, in which the hours of duty can't be controlled, and which requires substantial amounts of irregular, unscheduled overtime, or night, Sunday, or holiday duty, Mr. Chairman, while the legislation will perhaps not affect postal clerks who we basically represent, we do feel it would be an improvement, particularly for those people in the postal service who are required to work amounts of irregular overtime. Certainly it would appear consistent with practices of those employees in the general service

schedules to provide the same type of compensation for postal employees that may come under the intent of this legislation.

So far as H.R. 14933, Mr. Chairman, why, we support the legislation, and suggest that the committee favorably report it to the Congress for action. However, on the other proposed legislation, which is concerned with granting the Post Office Department, and the general service schedule employees, the opportunity to transfer between these two different pay systems, we do have some very strong reservations about the legislation.

Frankly, we are not sure we understand why the postal administration, assuming they are supporting this legislation, and we feel that is a reasonable assumption, desires to change existing statutes to permit transfers of employees in any civilian capacity in government to any position of postal field service.

Section 3551 of title 39 presently authorizes the Postmaster General to make such transfers in any position to a regional or district office or any professional or scientific position, and place him in the appropriate steps of the salary level. We are concerned with the proposed change and the language of section 3551 of title 39 for a number of reasons.

For example, the Post Office Department early this year, in December and early January, was considering a program out in the Seattle region which is referred to as a career development program, and as we understand, the intent of that original program was to permit even nonpostal employees who qualify in the Federal civil service entrance examination, or in the management intern examination to be appointed to an initial supervisory position in the civil service.

Mr. Chairman, No. 1, we oppose this program by the Post Office Department, and also we oppose any additional statutory authority which would permit the Post Office Department to accomplish this type of appointments to higher level positions in the postal service in post offices for one very important reason, and we brought this regularly to the attention of the various committees of the Congress, and I would like to again bring this to your attention and to the committee.

There is over 700,000 postal employees on the rolls of the Post Office Department, and unfortunately, there is only some 32,000, by comparison, opportunities for the overwhelming majority of postal employees, of which the largest groups are postal clerks and letter carriers, who ever hope for an opportunity to move up into a more responsible or higher level position.

I say again, with several hundred thousand employees, the large bulk of them postal clerks and letter carriers, there are only 32,000 promotional positions available to us at this time. And I would hope the committee would appreciate our interest in retaining at least those positions for ultimate promotion of our postal clerks and letter carriers that are found qualified for this very limited number of opportunities.

And therefore we are concerned if the legislation would be enacted as proposed, and rather than assisting our postal employees for larger opportunities for promotional postal positions, that actually it would result in a larger number of persons being transferred from Government generally into the postal service.

And this in turn would further reduce the very limited opportunities for our people to advance through qualification and years of experience. Also, Mr. Chairman, we have a number of other considerations in regard to being unable to support the legislation.

For example, at the present time in the postal service we have a tremendous number of our people who are very disturbed with the inequities of the existing compensation laws in regard to the so-called junior-senior salary inequity relationships.

This basically means we have many people in our clerk and carrier ranks who have more years of service than other employees, and yet they are drawing exactly the same compensation or salary, or even in some instances less salary than more junior employees. We feel that permitting transfers from other agencies into the postal field service would further compound these so-called junior-senior inequities.

Also, Mr. Chairman, we feel that the proposed legislation would give protection and preference for salary purposes for those employees in the Federal service that voluntarily desire to make changes. We have enough problems trying to protect the compensation rates of our employees in the postal service from inequities of many types, and certainly we can't concur in providing a preferential salary consideration for transferees, particularly when we believe among the 700,000 postal employees we have a large reservoir of competent, qualified, dedicated, and very senior employees that are available for these higher level positions.

It certainly would hurt the promotional opportunities for postal clerks, in our opinion, if this statutory authority would be granted to the postal service, I also suggest, Mr. Chairman, although we wouldn't at this time suggest that this would become of common practice, but certainly with this type of interchange between the Government service generally, and the postal service, and providing additional salary incentives to employees that are transferred, that you certainly could run into the positions where political considerations or fraternal considerations or religious considerations or other considerations which our organization has never condoned could possibly enter into the transfers of these employees, particularly where higher level salaries are concerned.

Our organization has historically opposed any type of restrictions on postal employees as far as promotional opportunities that could result from any religious, color, creed, or any other type of restrictions. We do feel that this could possibly open the door to considerations other than the best qualified people, particularly, again I reiterate, when we have in the postal service only some 32,000 opportunities for our people to advance to, and we have 700,000 potential employees that would like to accomplish a higher level salaried position.

So for these reasons, Mr. Chairman, we very reluctantly can't concur in the legislation that is being considered to permit the Postmaster General to appoint or employ an employee from some other branch of the Government to any position in the postal field service. We do feel that the present language in title 39 permits the Post Office Department considerable latitude in selecting people in the various scientific positions or professional positions that does give them this opportunity at the present time, and we feel this is adequate.

We are concerned, as I said before, in protecting the relatively few opportunities for our postal clerks and letter carriers to hope some day for an opportunity to be promoted into a higher level position. Thank you, Mr. Chairman. If we can answer any questions, myself and Mr. Dunn will be very happy to cooperate with you and other members of the committee.

Mr. NIX. Thank you, Mr. Nilan. In the initial part of your statement, you indicated the present law permitted the Post Office Department to make these transfers. To what specific section of the law are you referring?

Mr. NILAN. Section 3551, Mr. Chairman, subsection (a), title 39, United States Code. It is entitled "Appointments to positions in the postal field service."

Mr. NIX. Do you construe that section of the law to mean that the purpose of the pending legislation could be accomplished without passage?

Mr. NILAN. Yes, sir, Mr. Chairman, we feel that the Postmaster General under existing law has authority, and may I quote it to you, Mr. Chairman, for the record?

Mr. NIX. Certainly.

Mr. NILAN. This is section—the existing language is section 3551 of Title 39, "Appointments to positions in the postal field service," and I quote: "The Postmaster General may appoint any person who has been employed in the civilian capacity in any branch of the Government to any position in a regional or district office or to any professional or scientific positions, and may place him in any step in the salary level of the postal field service schedule which is less than one full step above the highest basic salary which he received from the United States."

Now, I should add, Mr. Chairman, district offices have been eliminated in the postal service, so, of course, this does not apply, but it does cover the top-level positions in the postal regions. It does cover any position, as I read the law, any position in a professional or scientific classification.

Now, unless the intent of the postal administration, if they did encourage this legislation, is to permit transfers into the so-called rank and file clerk-carrier levels, the first-level supervisory positions, which are positions our people have an opportunity to aspire to, it would appear to us that existing law does give the Postmaster General considerable latitude in appointments.

Mr. NIX. And it is your view that this section of the law permits the Postmaster General to transfer people into post offices?

Mr. NILAN. In professional or scientific positions.

Mr. NIX. Now, let me ask you this, Mr. Nilan. You mentioned the number of 700,000 postal employees, and only 32,000 possible promotions. If the present or the proposed law were restricted to transfers within the Department, excluding transfers from other agencies of Government, would the proposed legislation then be acceptable to you?

Mr. NILAN. Mr. Chairman, I would have to again respond that we would not be enthusiastic about such a proposal either.

Mr. NIX. I asked the question because in the event that the deletion that I mentioned is made, it is a fact that the promotions would be applicable only to those people in the Post Office Department.

Mr. NILAN. Are you talking within a post office or between post offices and postal installations?

Mr. NIX. I mean in any given post office. I take it that one of your serious objections is that it is proposed to transfer employees from Seattle or from Chicago to Philadelphia, from Philadelphia to Seattle and to Chicago. Is that one of your objections?

Mr. NILAN. Yes, sir.

Mr. NIX. Do you feel that the morale of any given office would be adversely affected if people from outside were brought in from across the country and local people are not placed in the positions in local post offices?

Mr. NILAN. If I may, Mr. Chairman, in that regard we honestly believe that in a post office there are employees who are knowledgeable, capable, experienced enough to handle the usual type of position in post offices without any necessity to be moving them around the country.

We feel it is expensive to transfer people from one post office or one community to another. It is expensive for travel and other related expenses, and we don't believe it is really necessary, because we believe our people are generally qualified for most positions within the Post Office.

Mr. NIX. Now, suppose the people to whom the promotions have been offered have no objection to the expense that would be entailed by moving from place to place, would you then still object?

Mr. NILAN. We have to object to the basic proposal. Mr. Chairman, that again we feel that within post offices generally we have an adequate reservoir of qualified people for promotions within that post office without the necessity of transferring employees to other post offices and we must necessarily support—and I am sure you would appreciate the fact that we have post offices where there may be five or six supervisor positions, I am thinking now of not a large post office, a medium-sized post office, and a vacancy occurs in perhaps a superintendent of mails position.

The Post Office Department would feel that rather than promoting the supervisors below that level up, and creating an opportunity for a postal clerk to move into the bottom supervisor position, that they are going to bring somebody in from another office. Well, you not only make the supervisors that are in the lower levels unhappy, but you make the employees in that office unhappy who won't have an opportunity to move into that initial vacancy, and I think you are making the man you are transferring into an office, I think you are putting that individual into a very difficult position, because certainly you must depend upon the complete cooperation and support of the postal family in any post office to move the mail the way we want it done, efficiently and expeditiously.

Mr. NIX. The proposed legislation deals exclusively with persons moving from one pay system to another.

Mr. NILAN. I believe basically this is true. The legislation concerned transferring between the two existing pay schedules, and also from Government agencies to post offices, and from post offices to Government agencies.

Mr. NIX. Now, one other thing. You mentioned junior and senior inequities. Would you elaborate on that?

Mr. NILAN. Very happy to, Mr. Chairman, because it is one of the more controversial problems that we deal with in the postal service. As an example, in 1962, when the so-called Salary Reform Act was enacted into law, the Congress recognized the need for additional salary recognition of our postal clerks and letter carriers above the dollar general increase that was enacted into law, so at that time all postal clerks, letter carriers, other employees and performance level 4 received an additional in-level salary increase, an additional step increase.

Unfortunately, employees in level 5 which also includes a tremendous number of clerks and carriers did not receive this same additional step increase, so an employee who was in level 4, subsequently promoted to level 5 after the effective date of the 1962 act, had that step increase for pay purposes, and when he moved into level 5, he would be in the same salary step or a higher step than an employee that had originally been placed in level 5.

This is one inequity.

Mr. NIX. Well, first of all, I want to know, at that point how was the inequity justified?

Mr. NILAN. I think the Congress in its wisdom decided that the postal clerk in level 4 was entitled to an additional salary compensation, and on that basis provided a step increase in addition to the general salary increase.

Mr. NIX. I see.

Mr. NILAN. And also on that, when that act was enacted into law, no employee, regardless of the number of years of service that he had, was able to move into step 12 of level 4 and level 5. In other words, you had to start a new period of service to get that final step which has also created some inequities, and there are some other fringe inequities that have resulted and unfortunately we have not been able to rectify.

Mr. NIX. One last thing. You sought to relate the Seattle experiment with the proposed legislation. What connection do you find between the two?

Mr. NILAN. Well, you will forgive us, Mr. Chairman, if we are somewhat suspicious of some of these Department proposals from time to time. It is our understanding that this pilot program was going to be initiated, and unfortunately I can't tell you today what the status of it is, but it was going to be initiated, and frankly we got a tremendous amount of objection immediately from our employees, from our postal clerks in the Seattle region concerned with the fact that nonpostal employees were going to be transferred or going to be appointed to an initial supervisory position in post offices, and our people were concerned because this meant again a further reduction in postal opportunities, and the Post Office Department, based on the information we have, intended to include this in a considerable number of potential positions.

And it is our feeling that perhaps since they have held back on, as far as I know, formally initiating this program, that perhaps now they are proposing through legislation to give them statutory authority to promote from Government into Post Office, and it could be extended in support of the program they are now considering, so, as I say, we just have a—perhaps I might say just a suspicious mind, and

we are concerned, and we are exposing this for the consideration of the committee.

Mr. NIX. You are in fact resorting to the time-honored practice of giving notice of a defense, if the occasion arises.

Mr. NILAN. Thank you, Mr. Chairman, you state it very well.

Mr. NIX. Mr. Waldie?

Mr. WALDIE. Thank you, Mr. Chairman. The questions I ask are probably in many instances not pertinent, because I don't fully understand the measure, but do I understand that this particular bill is primarily designed to make more easy a transfer from the postal department where they are under one pay classification to the local post offices? Is that a correct assumption?

Mr. NILAN. That is true. The Post Office Department is under the general schedules, and the postal field service is under the field schedules, and, of course, the general classifications are more favorable when you get above the carrier levels.

Mr. WALDIE. And it is to provide more ease in transfer from the postal field to the general service.

Mr. NILAN. This is true.

Mr. WALDIE. Now, I gathered in your remarks that you had fear that some governmental employees other than in the postal department would be able to take advantage of this bill and transfer into the postal department, is that correct?

Mr. NILAN. Well, our basic objection, Congressman, is the fact that the existing language of law permits the Postmaster General to transfer Federal employees from other Government agencies into the postal service under compensation rules, providing they are to positions in the regional offices or to scientific or professional positions.

Now, we feel this is generally adequate as far as an authority.

Mr. WALDIE. Well, my question is, is it your contention that this bill exceeds that limited ability to transfer from other governmental agencies?

Mr. NILAN. Certainly, because the proposed legislation would permit the Postmaster General to transfer an employee in the Federal service to any position in the postal field service.

Mr. WALDIE. Now, may I ask the chairman a question on that point? Mr. Chairman, I gathered from your statement that it is your understanding that the abilities to transfer are limited from the Post Office Department to the post offices throughout the country or vice versa, not from, say, the Veterans' Administration to a post office.

Mr. NIX. It was my understanding that the basic intent of the bill was to transfer from any agency. But I further understand that there has been suggestions to the effect that a limitation be placed.

Mr. WALDIE. Well, the other question, then, I have, I assume that question has been answered, that you are correct, it does permit transfers from other governmental agencies into the Post Office. Does it permit transfer from the Post Office into other governmental agencies?

Mr. NILAN. It would permit transfers both ways.

Mr. WALDIE. Then your fears are that the desires would not only be for transfers into the Post Office, and also for your people to transfer to better paying jobs elsewhere.

Mr. NILAN. This is basically it, Congressman, because our letter carrier that comes into the postal service doesn't have a college degree. He is not qualified in the sense of a scientific—normally this is not the postal clerk or letter carriers, and, therefore, the opportunities that might be available to him in the Federal service are going to be sharply restricted as far as him moving out, but the opposite would not be true where Federal employees in Federal agencies could move into these higher level positions particularly, and ultimately eliminate opportunities for clerks and carriers through experience in the postal service to ascend to these positions, and carry them out satisfactorily, so it would be a one-way street more than opening the door for postal employees.

Mr. WALDIE. I have no further questions, Mr. Chairman.

Mr. NIX. Thank you, Mr. Waldie. Mr. Nilan, can you think of any change in the proposed legislation to make it palatable to you?

Mr. NILAN. No, Mr. Chairman, not if we understand the intent of the legislation. As I said, I think the proposal in law is satisfactory, and we would prefer to have the law left as it is.

Mr. NIX. Then your position, categorically stated, is that you are against the proposed legislation?

Mr. NILAN. I am afraid so, Mr. Chairman.

Mr. NIX. Thank you very much, Mr. Nilan. Thank you, Mr. Dunn.

Mr. NILAN. Thank you, Mr. Chairman.

Mr. NIX. I might say that I am also grateful for your testimony, because there is never any doubt as to where you stand.

Mr. NILAN. Well, Mr. Chairman, we feel this is the only way to be about it, be perfectly honest and express our position.

Mr. NIX. Exactly. Thank you very much.

We have a statement from the Letter Carriers' Union and a statement of the American Federation of Government Employees, that have been submitted. Without objection, they are ordered to be incorporated in and made a part of the record.

(The documents follow:)

NATIONAL ASSOCIATION OF LETTER CARRIERS,
Washington, D.C., February 16, 1968.

Re H.R. 14933.

HON. ROBERT N. C. NIX,
Chairman, Subcommittee on Postal Operations,
Washington, D.C.

MY DEAR CONGRESSMAN NIX: Because of an extremely busy schedule, and because of the fact that the proposal being studied by your Subcommittee is not a major issue within the National Association of Letter Carriers, I am respectfully submitting this endorsement of the legislation.

Generally, clerical employees would benefit from the provisions of H.R. 14933; however, it could be possible that letter carriers would be involved at one time or another. Irrespective of which craft would benefit, our organization feels that the legislation is meritorious and therefore is recommending approval of the bill.

Thanking you for allowing us this opportunity to present our views, and with kindest regards, I am

Sincerely yours,

J. H. RADEMACHER, Vice President.

NATIONAL ASSOCIATION OF LETTER CARRIERS,
Washington, D.C., February 16, 1968.

Re Proposal for Step Advancements Between Pay Systems.

Hon. ROBERT N. C. NIX,
Chairman, Subcommittee on Postal Operations,
Washington, D.C.

MY DEAR CONGRESSMAN NIX: Will you kindly consider this letter as our testimony relative to your new proposal which would provide for a two-step salary increase to any employee who is asked to move from one pay system to another.

After careful analysis of the language of the proposal, we have come to the conclusion that it would not serve in the best interests of the National Association of Letter Carriers to have this legislation enacted into law.

We cannot see how any present postal employee would benefit from the Act since very rarely would postal workers transfer to other agencies. We also fear that this proposal would encourage postal officials to bring into the Post Office Department, supervision from government agencies, thereby denying postal employees such opportunities for advancement. Today, we have a similar situation where some of our top level jobs are being filled by employees from other government agencies. We have testified only recently concerning the incentive value and the merit of removing postmaster appointments from politics.

Although transfer of employees between agencies is not necessarily politically motivated, the incentive of a postal worker certainly would be disrupted with the knowledge that not only is an employee being transferred from another agency but that employee would receive a two-step salary increase.

For the reasons expressed above, and other related reasons, we cannot lend endorsement to your proposal.

Thanking you for this opportunity to present our views, and with very best wishes, I am

Sincerely yours,

J. H. RADEMACHER, *Vice President.*

STATEMENT OF JOHN F. GRINER, NATIONAL PRESIDENT, AMERICAN FEDERATION OF
GOVERNMENT EMPLOYEES

The American Federation of Government Employees views the bill H.R. 15395 as having worthwhile objectives, if proper safeguards are supplied. The bill would assure an employee transferred or promoted to a position under another pay system of receiving stipulated salary advancements and adjustments.

An important and desirable feature of this measure is the requirement in Section 1 that an employee who moves from one pay system in the Federal Government to another pay system will receive a rate of pay in his new job which will equal at least the sum of two step-increases in the pay range of the system from which he transfers.

The effect of this provision is to apply to employees under the wage board system and other Federal pay systems the guarantee of an increase equal to no less than a two-step increase which is now provided by the Classification Act for an employee promoted to a position in a higher grade under that Act. This guaranteed minimum increase would apply also to employees serving under other pay systems such as the Foreign Service, Postal Service, Department of Medicine and Surgery of the Veterans Administration, and to those groups in the Government of the District of Columbia having their own pay systems, such as teachers, policemen and firemen.

It has been stated that the bill is in need of safeguards. By that is meant the belief that despite its beneficial aspect, the AFGE would be vigorously opposed to this being used as a vehicle for transferring persons from one Federal pay system to another for the purpose of placing them in positions for which they are not qualified.

Mr. NIX. The subcommittee will be in recess, pending a call to the executive session.

(Whereupon, at 10:35 a.m., the hearing was recessed as above noted.)



