

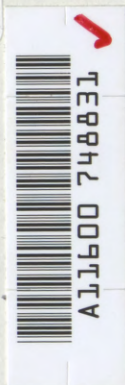
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# WAGE BOARD EMPLOYEES

GOVERNMENT

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## HEARING BEFORE THE COMMITTEE ON OFFICE AND CIVIL SERVICE UNITED STATES SENATE

NINETIETH CONGRESS

FIRST SESSION

ON

### S. 1214

A BILL TO PROVIDE AN EQUITABLE SYSTEM FOR FIXING  
AND ADJUSTING THE RATES OF PAY OF  
WAGE BOARD EMPLOYEES

JUNE 16, 1967

### PART 1

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Committee on Post Office and Civil Service



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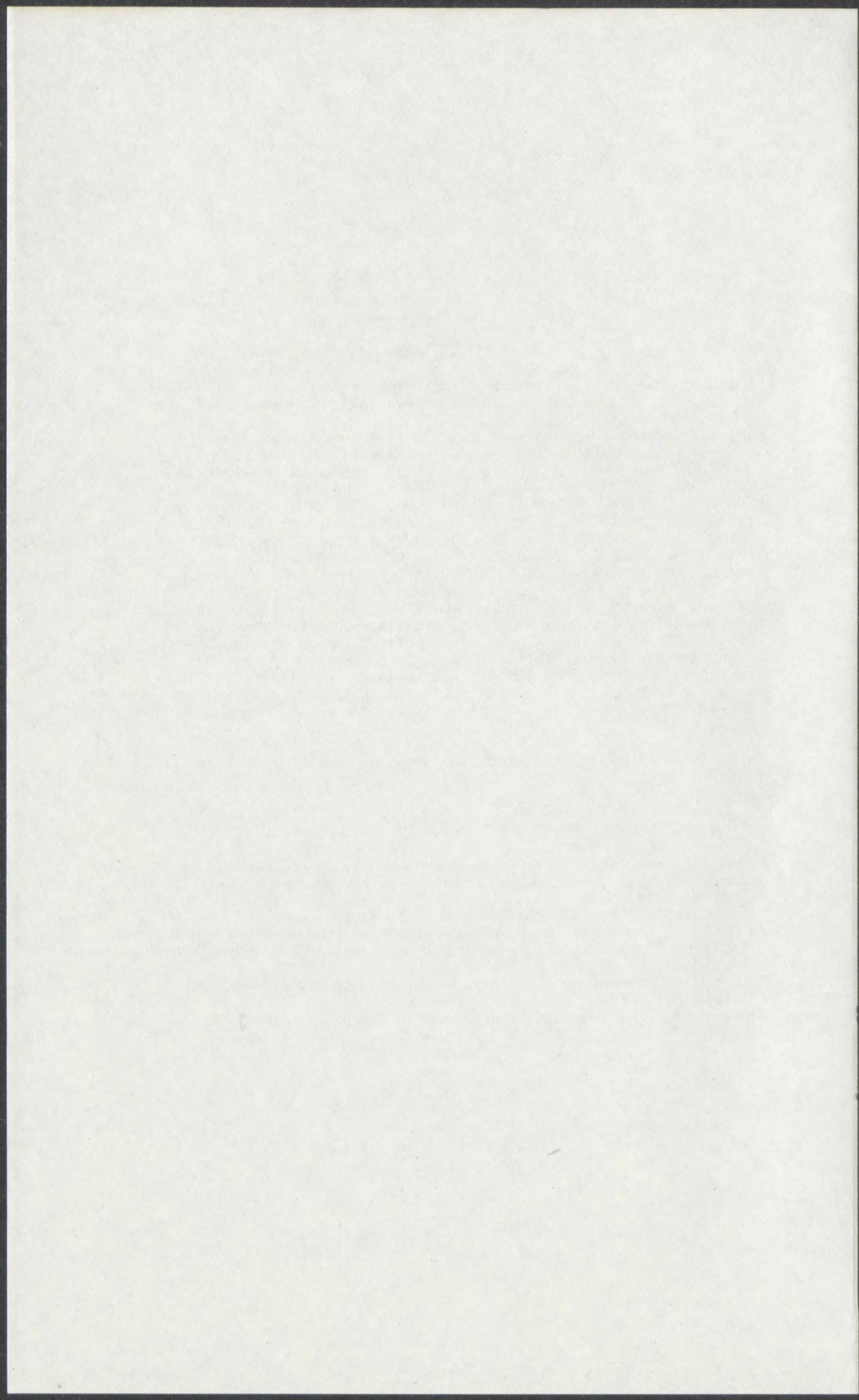
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## WAGE BOARD EMPLOYEES

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FRIDAY, JUNE 16, 1967

U.S. SENATE,  
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,  
*Washington, D.C.*

The committee met at 9 a.m., pursuant to notice, in room 1202, New Senate Office Building, Senator A. S. Mike Monroney (chairman of the committee) presiding.

Present: Senators Monroney, Yarborough, Randolph, Brewster, Burdick, Carlson, Fong, Boggs, and Fannin.

Also present: John M. Burzio, staff director; David Minton, general counsel; Frank A. Paschal, minority clerk; LeGrand A. Rouse II and Hugh B. Key II, professional staff members.

The CHAIRMAN. The Committee on Post Office and Civil Service will be in session.

This hearing is convened to take testimony on the bill S. 1214, legislation introduced by the distinguished senior Senator from Maryland, Daniel B. Brewster. We are having this early meeting today because under the rules of the Senate it is necessary for us to adjourn by 11 o'clock when the Senate goes into session. We are very anxious to hear the witnesses that have asked to appear, representing the great body of Federal employees, and others that have a distinct interest in it. The bill would make several very significant changes in the system of paying our Federal employees whose salaries are established locally by Federal wage boards.

It is a broad and comprehensive piece of legislation which I believe deserves Congress' very careful consideration. To help us in this effort we have with us this morning the distinguished president of the American Federation of Government Employees, our very good friend and a man who has helped so much on various types of legislation, the Honorable John Griner. He is accompanied by his legislative assistant, who is another old friend of us all, Mr. Tom Walters.

You gentlemen are at the speaker's table. We appreciate your being here on time. I believe this is one of the biggest attendances that we have had at any hearing involving civil service legislation. We are happy to have you, Mr. Griner and Mr. Walters.

President Griner, we have a copy of your statement and you may proceed in your own way.

Senator CARLSON. Mr. Chairman, before President Griner proceeds, may I state for the record that because of previous commitments that I had made before I realized we were going to have this fine gathering this morning, it is going to be necessary for me to leave shortly. I do want to say that I had the opportunity of being with this fine group yesterday morning down at the Willard Hotel and I am sure



President Griner and the other members know there wasn't room down there, and there doesn't seem to be room here this morning. It is a great gathering and I shall read the testimony if it isn't completed before I have to leave. I wanted the record to show that.

The CHAIRMAN. Thank you very much. I know some of the members might have to leave. Some of the others will probably come in, and we will proceed.

In order that our guests might know the members here, Senator Carlson, here, of Kansas, is the ranking minority member of this committee. Senator Brewster, of Maryland, who has just come in, the author of the bill, is here at my right. Senator Burdick from North Dakota is at my further right, and Senator Boggs, of Delaware, is here.

We will have probably other members in before we complete our work this morning when we have to adjourn at 11.

At this point in the hearing record I will have a copy of the bill, S. 1214, as referred, printed, along with the reports of the Civil Service Commission, the General Accounting Office, and the Bureau of the Budget.

(The documents referred to above follow:)

[S. 1214, 90th Cong., first sess.]

A BILL To provide an equitable system for fixing and adjusting the rates of pay of wage board employees

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Wage Board Rate Determination and Adjustment Act of 1967".

SEC. 2. (a) Subchapter IV of chapter 53 of title 5 of the United States Code is amended to read as follows:

#### "§ 5341. Policy

"(a) The purpose of this Act is to establish in the Government of the United States and of the District of Columbia a uniform system of determining and adjusting the rates of basic pay of employees in recognized trades and crafts, or other skilled mechanical crafts, or in unskilled, semiskilled, or skilled manual-labor occupations, and other employees, including foremen and supervisors, in positions having trade, craft, or laboring experience and knowledge as the paramount requirement.

"(b) It is hereby declared to be the policy of Congress that the wage system herein provided shall—

"(1) have for its objective the provision and maintenance of like pay for like work for all employees who are working under similar conditions of employment in all agencies of the Federal Government;

"(2) be so developed and maintained that it will attract and retain qualified workers by the payment of rate which are fair to employees and beneficial to the employing agency;

"(3) provide relative differences in pay only where there are substantial or recognizable differences in duties, responsibilities, or qualifications among positions;

"(4) permit the maintenance of a level of rates of pay in line with prevailing levels for comparable work within a survey area.

#### "§ 5342. Definitions and application

"(a) For the purpose of this subchapter—

"(1) 'agency' means (A) any executive agency and (B) the government of the District of Columbia but does not include—

"(i) the field service of the Post Office Department;

"(ii) the Tennessee Valley Authority;

"(iii) the Atomic Energy Commission;

"(iv) the Central Intelligence Agency;

"(v) the Panama Railroad Company;

"(vi) the Alaska Railroad;



"(vii) those departments, agencies, and components thereof, where the present practice of wage setting process is through negotiated agreements.

"(2) 'Wage Board' means the Federal Departmental Wage Board established under section 5344.

"(3) 'employee' means an individual employed in or under an agency but does not include employees no part of or only part of whose pay is paid from appropriated funds of the United States or persons referred to in section 5343.

"(4) 'district' means an area to be surveyed which shall be as large an area as needed to obtain adequate wage data which will be representative of large-scale industry, or of conditions which are more nearly comparable to employment in the Federal service, and shall include at least one metropolitan area as defined by the Bureau of Labor Statistics; and the Wage Board shall define and prescribe the geographical limits of the district;

"(5) 'grade' includes all positions which, although differing in kind or subject matter of work, are sufficiently equivalent in level of difficulty and responsibilities, as well as level of qualification requirements, to warrant their inclusion within one range of rates of basic pay as specified in this subchapter;

"(6) 'position' means the work performed by an employee, consisting of the duties and responsibilities, assignable to a wage board employee; and

"(7) 'wage survey' means the collection of wage data for positions in the private industry identified as and limited to manufacturing, transportation, utilities industries, and construction and job shop rates. Such wage data surveys shall include at least 50 per centum of private industry organizations where rates are fixed by collective-bargaining agreements as specified in section 5346(d). Such data shall be collected for positions the duties of which are comparable to those wage board positions in departments in the district in which a survey shall be made.

"(b) This subchapter shall apply to all wage board positions in or under the agencies.

#### "§ 5343. Crews of vessels

"(a) Except as provided by subsection (b) of this section, the pay of officers and members of crews of vessels excepted from chapter 51 of this title by section 5102(c) (8) of this title shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates and practices in the maritime industry.

"(b) Vessel employees of the Panama Canal Company may be paid in accordance with the wage practices of the maritime industry.

#### "§ 5344. Federal Departmental Wage Board

"(a) (1) There is hereby established a Board, to be known as the 'Federal Departmental Wage Board' which shall be composed of five members appointed by the Secretary of Labor for terms of three years each, two of whom shall be appointed as the representatives of bona fide employee organizations having substantial membership in the Federal civil service. The Wage Board shall report directly to the Secretary of Labor, and shall designate one of its members as chairman.

"(2) Within the jurisdiction of the Wage Board there shall be established wage review committees with equal representation of leading agencies, and leading labor organizations, not to exceed three members each. These committees will adjudicate appeals from disputes arising in the field and referred to the Wage Board for determination. These committees will make final determination of wage rates and will so instruct the appropriate department or agency head of their decision. Any appeals by agencies from such decisions will be referred to the Wage Board for final adjudication.

"(3) The Secretary of Labor shall appoint an Employee Advisory Committee the membership of which shall not exceed eleven and shall consist of a chairman designated by the Secretary of Labor, three members representing the agencies, three members selected from employees holding nonsupervisory wage board positions in the agencies, and four members representing bona fide employee organizations.

"(b) It shall be the function of the Wage Board to develop and maintain a uniform system of determining and adjusting rates of basic pay of employees within the classes excepted from chapter 51 of this title by section 5102(c) (7).



The Wage Board shall be responsible for the determination of wage principles and methods and procedures in the operation of a wage rate system.

"(c) The Wage Board shall be provided with a staff of wage specialists and such other technicians and clerical assistance as may be necessary to perform its duties. The staff thus provided shall assist the Wage Board in developing plans and programs necessary to the fulfillment of its functions.

**"§ 5345. Job analysis and evaluation**

"(a) Each position shall be placed in its appropriate class and grade based upon an evaluation by the agency concerned and consistent with wage board classification standards prescribed by the Wage Board. In the absence of prescribed standards, a grade determination will be made based upon comparison with standards of a sufficiently similar occupation to warrant application.

"(b) Any employee or employees affected or any agency may request at any time that the Wage Board exercise its authority to fix the class, grade, and pay rate of any position or positions. The Wage Board shall act upon such request, and the Board decision shall be final and binding upon all parties concerned.

"(c) The Wage Board shall, with the advice of the agencies, prepare standards for placing positions in their proper grades. The Wage Board is authorized to investigate the duties, responsibilities, and qualification requirements of positions as it deems necessary for the development and maintenance of proper standards. At the request of the Wage Board, the agencies shall supply information for and cooperate in the preparation of such standards. The standards shall be published in such form as the Wage Board may determine and shall be maintained in relation to the current job content of wage board positions in the departments. After consultation with the departments, the Wage Board may revise, supplement, or abolish existing standards, or prepare new standards.

"(d) The Wage Board shall develop a job evaluation plan for the purpose of determining the relative value of the duties, responsibilities, and qualification requirements of each wage board position. In developing such plan, the Wage Board shall select for nonsupervisory positions not fewer than fifty benchmark positions so selected as to afford a cross section of common jobs of varying kinds and levels of work. An appropriate group of supervisory benchmark positions also shall be selected. These benchmark positions shall be assigned to appropriate grades of the nonsupervisory or supervisory schedules provided under section 5347, in accordance with their relative skills, responsibility, effort, and working conditions. Other positions shall then be graded in relation to these benchmarks: *Provided*, That benchmark positions may be eliminated or increased in number; new benchmark positions may be added as needed to facilitate job evaluation, and changes in the number or type of benchmark positions shall take place only after management officials have given representatives of employees affected opportunity to express their views, with respect to such changes.

"(e) In the evaluation of nonsupervisory positions, the Wage Board shall take into consideration such important factors as skill, responsibility, effort, and working conditions, as shall be pertinent to a proper evaluation of the job content of each position. The Wage Board shall make known the weighting system used by it in the job evaluation plan.

"(f) Evaluation of supervisory positions shall be based on their relative duties, responsibilities, and qualification requirements to provide appropriate pay differentials over that of the workers supervised. Such differentials shall be maintained either in a separate supervisory wage schedule and a supervisory job evaluation plan or by means of the application of appropriate percentage differentials in relation to the level of rates for nonsupervisory positions. The minimum pay differential for any supervisory position shall be at least 25 per centum more than the highest pay level supervised, but not less than 25 per centum of the journeyman level rate of the crafts or trade within the wage area surveyed.

**"§ 5346. Wage surveys and wage data processing**

(a) Wage survey data shall be obtained by means of wage surveys conducted by the Wage Board and from surveys conducted by the Bureau of Labor Statistics. In requesting such data from said Bureau, the Wage Board shall specify the types of positions in particular firms or establishments for which data are required, and such positions shall be comparable to positions in Federal agencies within the Wage Board district for which the data are needed. Such positions shall be identified and surveyed in relation to appropriate supervisory



and nonsupervisory job evaluation and qualification standards prepared by the Wage Board.

"(b) Wage rate surveys shall be made at least every twelve months or at such additional times as shall reflect significant or substantial wage rate changes in an industry within the district that significantly affects the level of wage rates within such district.

"(c) Wage surveys conducted by the Wage Board shall ordinarily be conducted by one survey team in each Wage Board district. Such survey team may for practical purposes of survey operations be subdivided into groups that may be assigned to different localities or industries within a district. Each group shall include at least one member representing one or more employee organizations affected by the survey. Each group leader shall be an employee of the Wage Board; other survey team or group members shall be employees selected from agencies having offices or installations within the survey district.

"(d) Wage data required for wage determinations shall be gathered by a survey group of not fewer than two persons through personal interview with one or more officials of companies having plants or other subsidiary organizational units within a survey district, who have knowledge of both wage rates and job content. In gathering the data, positions in the Federal or District of Columbia service shall be matched with positions within the firm solely on the basis of duty content. The rate paid to each individual in each position matched shall be collected. The data regularly collected shall include separately reported hourly straight time rates, bonuses, incentives, shift differentials, and overtime rates. All data collected shall be treated as confidential and shall not be revealed to unauthorized personnel. At least 50 per centum of positions surveyed shall be positions in firms having collective bargaining agreements with organizations in which employees participate and which exist for the purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work. In compilation of wage data, the wage rates including any differentials paid by private contractors to their employees in comparable positions, and engaged in contract work on a Government installation, shall be included in determining the rate of comparable work by Federal employees.

"(e) At the completion of a wage survey in any Wage Board district, the wage data shall be assembled and reviewed for accuracy and then forwarded to the office of the Wage Board in the District of Columbia where suitable analysis shall be made to determine adjustments which may be required in existing wage rate schedules.

"(f) Each change in rates of basic pay determined by the Wage Board as consistent with the public interest in accordance with prevailing rates under authority of this subchapter shall become effective not later than the first day of the first pay period which begins on or after the forty-fifth day, excluding Saturdays and Sundays, following the date on which such survey was ordered to be made.

"(g) Comparison studies of fringe benefits paid to employees subject to the provisions of this subchapter shall be made from time to time to determine the value of such benefits compared to the prevailing practice in private industry.

#### "§ 5347. Wage rate schedule

"(a) There is hereby established a basic wage rate schedule which shall be divided into as many grades of difficulty and responsibility as the Wage Board shall determine. Such schedule shall be uniform in application in all agencies.

"(b) Each grade shall be divided into ten step-rates.

"(c) Each employee paid in accordance with the Wage Board system shall be advanced in pay successively to the next higher rate within a grade at the beginning of the next pay period following the completion of each fifty-two calendar weeks of service in wage step-rates 1 to 6 inclusive: *Provided*, (1) That he has a current performance rating of 'satisfactory' or better; (2) that the benefit of successive step-increases shall be preserved, under regulations issued by the Civil Service Commission for employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-government civilian employment during a period of war or national emergency.

"(d) As a reward for long and faithful service, each department shall grant an additional step-rate increase (to be known as a longevity step-rate increase) beyond the seventh regularly scheduled rate of the grade in which his position is placed to each employee for each three years of continuous service completed by



him at such seventh regularly scheduled rate or at a rate in excess thereof authorized by this section without change of grade or rate of basic pay except such change as may be prescribed by determination of the Wage Board for all employees within a Wage Board district who occupy positions for which a wage rate change shall be approved by the Wage Board.

"(e) No employee shall be entitled to a longevity step-rate increase unless he has a current performance rating of 'satisfactory' or better.

"(f) No employee shall receive more than one longevity step-rate increase for any three years of continuous service.

"(g) Each longevity step-rate increase shall be equal to one step-rate increase in the grade in which the position of the employee is placed.

"(h) Any employee who is promoted or transferred to a position in a higher grade shall receive basic pay at the lowest rate of such higher grade which exceeds his existing rate of basic pay by not less than two step increases of the grade from which he is promoted or transferred.

"(i) A separate wage rate schedule shall be established by Wage Board determination for each wage survey district. Such schedule shall be revised from time to time in relation to additional wage surveys reflecting wage rate changes in private industry within the district. As circumstances may require, separate wage rate schedules shall be maintained for positions which reflect conditions peculiar to certain industries. Separate surveys shall be made of such appropriate industrial units following the procedure indicated in sections 5345 and 5346.

"(j) Each officer who is reduced in grade from any grade of a basic pay schedule prepared pursuant to this subchapter, whose reduction in grade is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not effected in a reduction in force due to lack of funds or curtailment of work, or is not a condition of his temporary promotion to a higher grade, shall be entitled, as of the effective date of such reduction in grade or as of the first day of the first pay period which begins after the date of enactment of this subchapter, whichever is later, to receive the rate of basic pay to which he was entitled immediately prior to such reduction in grade until reassigned at the same or higher rate of pay.

#### "§ 5348. Regulations and report

"(a) The Wage Board is hereby authorized to issue such regulations as may be necessary for the administration of this subchapter.

"(b) The Wage Board shall prepare and submit to the Chairman of the Civil Service Commission an annual report relative to rates of pay, number of surveys conducted, and such other information as the Wage Board may deem necessary.

#### "§ 5349. Administration

"(a) Nothing contained in this subchapter shall be construed to decrease the existing rate of basic pay of any present employee subject to its provisions.

"(b) In the administration of this subchapter there shall be no discrimination with respect to any person or to the position held by any person subject to this subchapter on account of sex, marital status, race, creed, color, or union affiliation.

"(c) Nothing in this subchapter shall be construed to affect the application to employees to whom this subchapter applies of the veteran-preference provisions of this title."

(b) The table of contents of subchapter IV of chapter 53 of title 5 of the United States Code is amended to read as follows :

- "Sec.
- "5341. Policy.
- "5342. Definitions and application.
- "5343. Crews of vessels.
- "5344. Federal Departmental Wage Board.
- "5345. Job analysis and evaluation.
- "5346. Wage surveys and wage data processing.
- "5347. Wage rate schedule.
- "5348. Regulations and report.
- "5349. Administration."

SEC. 3. (a) Section 5544 of title 5 of the United States Code is amended by adding at the end thereof the following new subsection :

"(c) Any employee whose rate of basic pay is determined by the Federal Departmental Wage Board established under section 5344 of this title shall be entitled, in addition to basic pay and overtime pay to which he may be entitled, to premium pay as follows—

"(1) for any regularly scheduled work between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian (including periods of absence with



pay during such hours due to holidays, and any such hours within periods of leave with pay if such periods total less than eight hours during any period), an amount equal to 10 per centum of such basic rate;

"(2) for all hours worked in any case in which a shift begins before and ends after 6 o'clock postmeridian or begins before and ends after 6 o'clock antemeridian, an amount to be determined by such Wage Board;

"(3) for any work required on a nonscheduled workday, an amount equal to overtime rate of pay computed under this section;

"(4) for any work required on a designated holiday, an amount equal to one and one-half times the basic hourly rate;

"(5) for hazardous duty, an amount to be determined by such Wage Board."

(b) The catchline of such section is amended to read as follows:

**"§ 5544. Wage Board premium pay rates".**

(c) The item designated "5544" in the table of contents of subchapter V of chapter 55 of title 5 of the United States Code is amended to read as follows:

"5544. Wage Board premium pay rates."

SEC. 4. All laws or parts of laws inconsistent with this Act are hereby repealed to the extent of such inconsistency.

SEC. 5. This Act shall take effect on the first day of the first pay period which begins six months from the date of enactment.

U.S. CIVIL SERVICE COMMISSION,  
Washington, D.C., June 13, 1967.

HON. A. S. MIKE MONRONEY,  
Chairman, Committee on Post Office and Civil Service,  
U.S. Senate, New Senate Office Building.

DEAR MR. CHAIRMAN: This is in further reply to your request for the Commission's views on S. 1214, a bill "To provide an equitable system for fixing and adjusting the rates of pay of wage board employees."

S. 1214 would establish by statute a uniform system of fixing and adjusting the rates of basic compensation for Federal wage board employees in trade, craft, and laboring occupations "in line with prevailing levels for comparable work within a survey area." The system would be established and operated by a Federal Departmental Wage Board under the Secretary of Labor. The Wage Board would consist of five members, two representing employee organizations. The bill also provides for an Employee Advisory Committee of up to eleven members. The Federal Departmental Wage Board would be given authority to determine wage principles, methods, and procedures in the operation of a Government-wide wage rate system. At the same time the bill specifies a number of procedural requirements under which the Wage Board and its system would be operated.

The Commission recommends against enactment of S. 1214.

S. 1214 contains a number of excellent provisions designed to promote uniformity and equity in wage board pay. These include: The establishment of a central policy-making and wage-fixing organization.

The objectives of the system:

Equal pay for equal work;

Retain and attract qualified employees;

Permit the maintenance of a level of rates of pay in line with prevailing levels for comparable work within a survey area;

A uniform job analysis and evaluation system;

Provision for special schedules when the rates provided by the regular wage schedule are not appropriate.

There are a number of other provisions in S. 1214 which might prove to be acceptable. However, more study and consultations with agency and union officials would be needed before policy direction could be firmly established.

Unfortunately, the bill contains many key provisions which are considered to be contrary to accepted wage administration practices, or in some cases, which are so restrictive in their nature as to preclude the flexibility needed to administer a program of the magnitude here involved—the fixing of pay for approximately 700,000 employees in hundreds of distinctly different occupations and work situations, and who are located in more than 350 separate wage



localities within the United States as well as in the territories and foreign nations.

The bill specifically places the proposed Wage Board under the Secretary of Labor. The functions of such a board should not be placed by statute under any specific department or agency. Functions of this kind should be vested initially in the President as part of his responsibility for management of the executive branch, with authority for delegation of the functions as the President may see fit. This would parallel the placing of responsibility for reviewing and recommending adjustments in statutory salary systems.

S. 1214 would require that two members of the five-member Wage Board be representatives of bona fide employee organizations having substantial membership in the Federal civil service. The Commission recommends against placing employee organization representatives on such a policy-making board. It would be improper to place individuals on a board which has authority to make decisions committing the Government on major program activities when those individuals are not fully subject to the authority of the appointing official. There would be no objection to such representatives being appointed to an Employee Advisory Committee such as that envisioned in section 5344(a) (3) of the bill.

If a Federal Departmental Wage Board were established it should be given broad authority to formulate wage policies as well as details of systems and practices to govern operation of the wage system. Section 5344(b) of S. 1214 appears to provide such broad authority. However, subsequent sections of the bill proceed to spell out in great detail many features of the proposed system. This is an illogical combination of provisions. They presumably give the Board full authority to formulate and prescribe the highly important and controlling basic principles and policies under which the total program would operate. However, at the same time they tie the Board's hands with respect to prescribing operating details for carrying out the program prescribed by those broad principles and policies.

Such detailed features are spelled out, for example, with respect to the job evaluation system, the supervisory pay plan, wage survey coverage and procedures, the step rate plan, and the salary retention plan. Many of these details are objectionable as being contrary to good pay-fixing practices. In at least two instances the benefits provided by the bill would be more restrictive than those now provided under agency wage systems (the salary retention provisions) or by other statutes (the overtime pay provisions).

The Commission would not favor the prescription by statute of the details of a Federal wage system, even though some of the elements proposed were not unsound in themselves. One of the most advantageous features of the present wage board system is its flexibility—the degree to which it can adapt readily to accommodate to changing missions and functions in the agencies, to provide coverage for new or unique occupations and work situations, and most importantly, to adjust rapidly to changes in industrial compensation practices. These flexibilities would no longer exist under the proposed bill. If S. 1214 were enacted, later efforts to effect relatively minor changes in details of the system would require additional legislation. These details should be left to administrative determination by the operating authority.

The Commission agrees that a common wage system is needed for uniform application by all agencies, that such a system should provide the same pay for the same work within and among agencies having wage board employees located in the same wage area, and that responsibility for establishing and operating such a system should be fixed at one point in the Government. The concept of a Federal Wage Board to accomplish these purposes is not unacceptable. However, a Federal Wage Board established by statute is not needed, since the basic purposes of S. 1214 as stated in the declaration of policy set forth in section 5341 of the bill can be attained under existing statutory authorities.

Action to achieve interagency wage uniformity within existing authorities was initiated by the President in his memoranda of November 16, 1965, to me and to the heads of the executive departments and agencies, in which he directed the development of common job standards and wage policies and practices to insure interagency equity in wage rates based upon statistically valid wage surveys. Work now is underway to establish a coordinated Federal wage program which would meet these objectives.

There are notable similarities between key provisions of the bill and features already decided upon in the establishment of the coordinated Federal wage program. The coordinated system will prescribe uniform wage-fixing policies and practices under which prevailing rates would be determined and uniformly



applied to all wage board employees doing like work within each wage area. The system will provide for a centrally developed and administered job evaluation system; for uniform wage board job evaluation standards; and for establishing separate wage rates and schedules where needed.

The President's program for a coordinated wage system would preserve the ability which now exists in the agency wage systems to react quickly to the often changing compensation needs for the many trade, craft, and laboring occupations in the Federal Service. At the same time the basic purpose of the bill—the establishment of a uniform system of determining and adjusting the rates of pay for wage board employees—would be met.

Viewed as a whole, S. 1214, if enacted, would handicap seriously the actions being taken within the executive branch to develop a sound Federal wage system. The Commission recommends strongly against enactment.

If further consideration is given to this bill, certain amendments will be needed in order to conform to the style of title 5 of the United States Code. The Commission will be glad to furnish such technical assistance in this regard as may be requested.

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.*

COMPTROLLER GENERAL OF THE UNITED STATES,  
Washington, D.C., March 27, 1967.

B-125151.

Hon. A. S. MIKE MONRONEY,  
*Chairman, Committee on Post Office and Civil Service,*  
*U.S. Senate.*

DEAR MR. CHAIRMAN: We refer to your letter of March 9, 1967, requesting an expression of our views and comments on the bill S. 1214, to provide an equitable system for fixing and adjusting the rates of pay of wage board employees.

We concur in the objective of establishing a uniform system for establishing and adjusting the rates of basic compensation of the prevailing rate employees to whom the bill applies. However, we think that consideration should be given to vesting overall responsibility and administration of the bill in the Civil Service Commission rather than the Secretary of Labor. In such connection the Civil Service Commission presently is responsible for defining qualification standards for all positions in the competitive service—including positions the compensation of which is fixed in accordance with prevailing rates. Moreover, the prescribing of job classification standards for prevailing rate positions is similar to the work the Commission has performed for many years with respect to positions which were subject to the General Schedule of the Classification Act of 1949, as amended, 5 U.S.C. 1113 (now General Schedule positions, 5 U.S.C. 5332). Finally, the inspection function under the bill possibly could be absorbed in the current inspection program of the Commission rather than setting up an additional and independent inspection program under the Department of Labor.

The following comments are offered for your consideration in connection with S. 1214. The section numbers refer to the proposed amendment of Chapter 53 of title 5 U.S. Code as contained in section 2 of the bill.

*Subsection 5342(a)(1).* We are unaware of the basis or reason for excluding those agencies specifically enumerated in this section. We think that agencies should be excluded from the scope of the legislation only for the most cogent reasons since exclusions or exceptions to the bill tend to defeat the primary objective of uniform application among prevailing rate employees throughout the Government. As presently worded subsection 5342(a)(1) excludes employees in the legislative branch and, therefore, could be interpreted as excluding the General Accounting Office. We favor specifically including the General Accounting Office within the scope of the bill.

*Subsection 5344(a).* Consideration should be given to defining the terms "bona fide employee organizations"; "substantial membership in the Federal service"; "leading Federal departments and agencies"; and "leading labor organizations".

Concerning subsection (2), we are of the opinion that some provision should be made for resolving tie votes which may occur because of the equal repre-



sentation of leading Federal departments and agencies and leading labor organizations. One way of resolving such problem would be for the Chairman of the Committee to be an "odd man" who would vote in the case of a tie.

We note also that no provision is made for the compensation of the Committee members. We assume that those representing leading departments and agencies will be paid by their respective departments or agencies, and that the Government will pay nothing to organization representatives.

Along the same line it is not clear whether the Board members provided for under subsection (1) are to be appointed from the Federal service or what their compensation will be.

Subsection (3) appears to be deficient in that it prescribes no functions or duties to be performed by the Employee Advisory Committee. We cannot be certain whom it is contemplated that the Committee will advise.

*Subsection 5344(c).* While this subsection provides for a staff of specialists, technicians and clerical assistants—whom we assume will have the status of Government employees—to assist the Wage Board, it contains no provision relating to the fixing of their salaries or the payment of their expenses and does not designate what appropriation will be charged with such amounts.

*Subsections 5345 (c) and (d).* These two subsections appear to provide for separate and exclusive methods for classifying prevailing rate positions. Subsection (c) provides for the preparation and promulgation of standards for placing positions in appropriate grades, whereas subsection (d) provides for the classification of positions by the designation of certain "bench mark" positions which would be used as guides for fixing the pay of other positions having comparable responsibilities and duties. We are of the opinion that either method may be used as a proper basis for classifying prevailing rate positions but that the concurrent use of the two methods could prove to be confusing and unnecessary.

*Subsection 5345(f).* This subsection provides a minimum differential pay for supervisors of not less than 25 percent above the highest pay level supervised and not less than 25 percent above the journeyman level rate of the crafts or trades within the wage area supervised. If positions are classified by the "bench mark" method it would appear that the second limitation should be tied to the "bench mark" trades or crafts used as a basis for the fixing of compensation of the position involved.

*Subsection 5346(e).* Apparently this subsection contemplates that the Wage Board shall maintain an office in Washington, D.C. For clarification you may wish to add a sentence to section 5344 specifying that the Wage Board shall be headquartered in Washington, D.C.

*Subsection 5346(g).* While this subsection requires that comparison studies be made of the fringe benefits payable to employees to whom the bill applies and employees in private industry, it does not specify what Government agency shall make the studies.

*Subsections 5347 (b) through (g).* These subsections provide for ten within grade steps within each grade under the Wage Board basic wage rate schedule. They do not specify which of the steps shall be pegged to prevailing rates. Thus certain of the step rates may vary so substantially with prevailing rates that they have no reasonable relation thereto—a result clearly inconsistent with the basic objective of tying the pay rates of the employees to whom the bill applies to rates existing in industry for comparable work.

We point out that employees subject to 5 U.S.C. 5335 must meet the acceptable level of competence requirement of that section. Also we note that in the General Schedule, no longer are there any longevity steps. See 5 U.S.C. 5332 and 5335. You may wish to modify the present bill to incorporate similar provisions.

*Subsection 5347(j).* On line 7, page 15, the word "officer" apparently should be "employee".

We suggest that consideration be given to including a requirement that an employee must be in grade for a minimum period of time as a condition of entitlement to saved pay upon reduction in grade. Also, we think that some reasonable period should be specified limiting the length of time entitlement to saved pay would continue. See for example the two-year period currently applicable to classified employees (5 U.S.C. 5337).

*Section 3 of S. 1214 amending 6 U.S.C. 5544.* Subsection (c) (1) provides for the payment of night differential for any hours actually worked between 6 p.m. and 6 a.m., whereas subsection (c) (2) contemplates that the Wage Board shall authorize a wage rate differential for all hours within a tour of duty, any part



of which falls between 6 p.m. and 6 a.m. The provisions appear to be inconsistent on their face and we recommend that one or the other be excluded from the bill.

Moreover, we cannot determine whether subsections (c) (2) and (3) contemplate that overtime is to be computed upon basic pay as increased by the night shift differential, or whether any night differential is intended to be paid for work in excess of eight hours. We note that while employees subject to 5 U.S.C. 5546 would be entitled to double time pay for work performed on holidays, the employees to whom the bill applies would be entitled to  $2\frac{1}{2}$  times the regular hourly rate for work performed on holidays.

In connection with your consideration of hazardous duty pay for prevailing wage employees as provided in subsection (c) (5) you may wish to compare the hazardous duty pay now authorized for Classification Act employees under Pub. L. 89-512.

Sincerely yours,

FRANK H. WEITZEL,

*Assistant Comptroller General of the United States.*

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EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D.C., June 9, 1967.

HON. A. S. MIKE MONRONEY,  
*Chairman, Committee on Post Office and Civil Service, U.S. Senate, New Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: Reference is made to the Committee's request for the views of the Bureau of the Budget respecting S. 1214, "To provide an equitable system for fixing and adjusting the rates of pay of wage board employees."

The bill would establish a Federal Departmental Wage Board, composed of five members appointed by the Secretary of Labor, two to represent employee organizations, with the function of maintaining a uniform wage system and determining wage rates to be paid by executive branch departments and agencies, to employees in trade, craft and laboring occupations, subject to regulations of the Board. The bill prescribes in detail the methodology to be used in job analysis and evaluation, in wage surveys and wage data processing, and in wage schedule construction and use.

The President recently initiated an executive branch program to coordinate agency wage fixing action under the leadership of the Civil Service Commission, including the development of common job standards and wage policies and practices which will insure interagency wage equity based upon statistically valid wage surveys. Under the Commission's leadership measures are being developed to eliminate inequitable wage disparities that result from agency differences in basic principles, policies, and practices. Such development is being undertaken with opportunities for participation by unions and agencies involved.

The bill would effect a major reorganization and realignment of functions in the executive branch, would place all wage fixing in a new Federal Departmental Wage Board, would freeze in statute most essential policy and methodology, and thus would terminate the present program undertaken at the President's direction.

In an adverse report to your Committee on this bill, with which the Bureau of the Budget concurs, the Chairman of the Civil Service Commission explains in considerable detail the undesirable results that could flow from placing in statute the full details of the wage fixing system. He also notes the impropriety of transferring wage fixing authority from the executive agencies, and coordinating authority from the President and Civil Service Commission, to a Board appointed by the Secretary of Labor.

The Bureau of the Budget agrees that the effects of the bill would be undesirable, and accordingly, for the reasons stated above and in the report of the Chairman of the Civil Service Commission, strongly recommends against favorable consideration of the bill by your Committee.

Sincerely yours,

WILFRED H. ROMMEL,

*Assistant Director for Legislative Reference.*



The CHAIRMAN. You may proceed with your testimony, Mr. Griner, and we are very happy, as I say, to have you and the members of your organization here.

**STATEMENT OF JOHN F. GRINER, PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES; ACCOMPANIED BY TOM WALTERS, LEGISLATIVE REPRESENTATIVE; W. J. VOSS, DIRECTOR OF RESEARCH; KERMITT I. TULL, PRESIDENT, LODGE 916, TINKER AIR FORCE BASE, OKLAHOMA CITY, OKLA.; ROYAL L. SIMS, PRESIDENT, AFGE NATIONAL COUNCIL OF VA LODGES, PHILADELPHIA, PA.; AND WALTER T. FALKOWSKI, PRESIDENT, LODGE 225, PICATINNY ARSENAL, DOVER, N.J.**

Mr. GRINER. Mr. Chairman and members of the committee, for the record the parties with me at the front table this morning are, on my extreme left, Mr. Walter Falkowski, from Picatinny Arsenal, N.J. Next to Mr. Falkowski is Mr. Royal Sims from the Veterans' Administration in Philadelphia. To my immediate left is Dr. W. J. Voss, our director of research; to my immediate right, Mr. Kermit Tull, president of the lodge at Tinker Air Force Base in Oklahoma; and to my far right with the rose in his lapel is my very able legislative assistant, Mr. Tom Walters.

The CHAIRMAN. I might say before you start off, President Griner, that I apologize for not having seats for everyone. This is the largest hearing room that we have on Capitol Hill. I believe this is the largest crowd that we have had at a Post Office and Civil Service Committee hearing in my memory. I would say there are over 150 people unable to find seats in this large room. We apologize for our lack of facilities, but we will just have to build a bigger auditorium, I guess.

I would like to announce that Senator Hiram Fong, the senior Senator from Hawaii, has just come in; one of the very distinguished members of this committee.

Mr. GRINER. Mr. Chairman, I am glad that you noted that there wasn't enough seats because it is very indicative of the unrest and the interest that the wage board employees have in this legislation.

On behalf of the membership of the American Federation of Government Employees, I wish to express our sincere appreciation to Senator Brewster for his interest and consideration in introducing S. 1214. In our opinion, this measure must be ranked as the most important and sorely needed legislative proposal before the 90th Congress.

I also desire to express the appreciation of all the wage board employees represented by our organization to you, Mr. Chairman, for scheduling this hearing on this most important bill.

At the present time the American Federation of Government Employees has approximately 245,000 members and of that number about 45 percent are in the category commonly known as wage board or blue-collar employees. In view of our approximately 600 exclusive recognitions under Executive Order 10988, the American Federation of Government Employees represents more than 400,000 Federal employees. Nearly half that number are wage board employees.

Since we represent more wage board employees than any other organization, it is our belief that we should rightfully take the initiative



to obtain for these employees the rights and benefits to which they are justly entitled.

Mr. Chairman and members of this committee, I am speaking today in the interest of approximately 700,000 employees of the Federal Government who are paid from both appropriated and nonappropriated funds. They are indeed the forgotten personnel in the Federal service.

There have been numerous occasions in the past when various fringe benefits or premium payments which you as Members of Congress and we as unions representing these employees have permitted to be enacted into law without sufficient consideration of the extent to which these blue-collar employees were or were not affected.

In the course of my discussion today, I shall endeavor to point out certain facts and submit some convincing evidence which I hope will convincingly demonstrate that these wage board employees are the forgotten employees.

It is my hope, Mr. Chairman and members of this committee, that we take into consideration the fact that S. 1214 was originally introduced in the 89th Congress under another number. Furthermore, I hope that we will consider the fact that this bill was based on facts which were developed without sufficient thought and deliberation as to their relation to the bill.

There will be times in my discussion when I will offer amendments to the Brewster bill and such amendments which have been incorporated into a full text of a bill have been submitted to you prior to this meeting. These amendments will altogether change the manner of wage rate fixing from what could be termed a central wage board committee to an area wage board committee.

In other words, I am proposing that wage rates be set at the area level rather than at the national level; and I hope it is thoroughly understood by all concerned that my recommendation with respect to this particular provision among the amendments proposed and which you now have before you, conforms to the mandates of the AFL-CIO resolution, and in fact goes beyond those mandates.

I hope, Mr. Chairman, that everyone concerned will understand that the purpose of the legislation before us is to bring up to date certain working conditions—basic wage rates, fringe benefits, and premium payments which the wage board employees of this great Government of ours should be enjoying and are not now receiving.

I am not asking for any special rights or privileges for this group of employees. I am asking for simple justice and the elimination of inequities which have placed these employees at such a great disadvantage. This dereliction and disregard of these blue-collar workers has developed in the course of legislative enactments which covered only white-collar employees—classified and postal.

Gentlemen, it is high time that we treat the wage board employees as members of the Federal employee family and not as stepchildren.

I hope to make it plain that our organization is dedicated to the principle of equal treatment so far as it is practical to do so for all Federal employees, regardless of what agency employs them or where they may be situated.

I have brought with me this morning several individual members from installations scattered out through the country who for a brief



time following the presentation of my statement will comment upon the conditions at certain local installations. They will show without reasonable doubt that the wage board employees are the forgotten step-children when it comes to legislation that provides certain fringe benefits.

I intend to point out during the course of my discussion that we are still operating in the horse and buggy days instead of realizing that we have entered the jet age. I say to you frankly that if we expect to retain the best employees we have available today we must show them the same consideration that has been given to the classified and postal employees in the past.

It is the purpose of the legislative proposal we are supporting to correct the shortcomings of the existing pay-setting systems insofar as it is humanly possible.

As stated in the first section of the bill:

The purpose of this Act is to establish in the Government of the United States and of the District of Columbia a uniform system of determining and adjusting the rates of basic compensation of employees \* \* \* in skilled, semi-skilled, or unskilled manual-labor occupations \* \* \*

The most urgent need in the entire wage board situation is for uniformity. This would be achieved by this bill. However, it is uniformity of purpose and policy, not of uniformity of wage rates in all parts of the country or of a single agency or unit of Government determining the wage rates for the various wage districts.

Coverage of the bill, as indicated in section 5341, would be broad in scope, exempting only such agencies as the Post Office Department which has its separate pay system for its per annum employees, and such other agencies having security status or "where the present practice of wage setting is through negotiated agreements."

This provision would continue the collective bargaining status, not only of the Tennessee Valley Authority, but of such other agencies as the Alaska Railroad and the Bonneville Power Administration.

A unique feature of this important measure is that it will apply the benefits of this uniform wage-setting system to the more than 50,000 Federal employees who are paid from nonappropriated funds. These employees are Federal for all intents and purposes other than for compensation.

For all practical purposes they are Federal workers. As in the case of the post exchanges in the military agencies, these employees are serving other Federal workers and may be supervised by them.

The bill would exempt crews of vessels from the wage-setting procedure, following the practice of the Classification Act. The bill would permit those employees to have their wages established in accordance with the practices of the maritime industry. A similar exemption applies to the employees on vessels of the Panama Canal Company.

It is our sincere belief that the correction of the gross inequity which exists with respect to rates of pay of the hourly paid employees must be centered around the establishment of a central committee which must have both the authority and the prestige to mold the various presently defective wage-fixing systems of the different Federal agencies into a unified system.



For this purpose, we are suggesting the establishment of a National Wage Policy Committee to be appointed by the Secretary of Labor. It would include labor representation as well as members who would represent the Federal agencies having sizable numbers of wage board employees.

We do not envision this committee as a new and rapidly expanding example of Federal bureaucracy. It is deliberately and purposely designated as a National Wage Policy Committee to emphasize its principal function of determining and promulgating policy, and establishing procedures for the operation of the wage-setting system.

It is in no way a central board that will engage in any of the wage-setting functions. It will not conduct wage surveys nor in any manner control or dictate the actual wage-setting process beyond formulating the overall policy and setting up the procedure which will govern actual operation of the wage system.

In a report on the wage board system, issued in March of last year by the Subcommittee on Manpower of the House Post Office and Civil Service Committee, it was shown clearly and impressively that Federal agencies in the same locality reach widely divergent conclusions from surveys of wage rates for what are presumably the same jobs.

It was pointed out that the Navy system confines industry coverage to manufacturing and transportation and public utilities industry divisions. Army-Air Force has the same coverage but extends it to other industries in less industrialized areas.

The Veterans' Administration, it was stated, covers additional industries which has relatively little effect on skilled trades rates, but a marked effect on unskilled rates. The significant variation in rates for what are considered like jobs is apparent in table 1, which is attached to this statement.

This table is derived from the analysis by the Manpower Subcommittee. Three jobs—janitor, trades helper, and electrician—were chosen from the five analyzed in the report, because of their prevalence in so many areas. Rates are compared for Navy, Army, Air Force, Veterans' Administration, and General Services Administration, as of June 30, 1964.

It is apparent that there was somewhat narrow variation among rates of the four agency systems for the jobs of electrician and trades helper, and I think, Mr. Chairman, that the reason for that is that most of these agencies take the Army-Air Force wage scales for those particular types of skills. The divergence is striking for the lesser skilled position of janitor, which also suffers by comparison with nonunion rates and with rates paid by employers who employ few workers.

In a high-wage area such as Detroit, Mich., VA and GSA paid \$2.10 an hour for the position of janitor, in comparison with \$2.53 for Navy and \$2.52 for Army-Air Force.

In other words, your high there is \$2.53 for Navy. Your low is \$2.10 for the Veterans' Administration and GSA, or a difference of 43 cents an hour for the same job in the same location, or a difference of \$3.44 a day.

Right here in Washington, D.C., a similar contrast existed, but with greater disparity between Navy and Army-Air Force. Navy paid



\$2.14 and Army-Air Force, \$2. VA dropped to \$1.59 while GSA offered only \$1.47.

So we will note there that the high for Navy was \$2.14. GSA was \$1.49 cents, or 65 cents an hour difference for the same job in an area 10 miles square in the city of Washington.

In Macon, Ga., even the military agencies were low, with Navy giving \$1.55 and Army-Air Force, \$1.48. In this area, VA and GSA were not so far behind, with \$1.32 each.

The disparity between these four wage-fixing systems continues. The same differences were apparent in the 1966 wage schedules. Using the position of janitor as an example, the rate for Navy and Army-Air Force in Detroit had risen to \$2.73. The GSA rate had gone to \$2.40, or 33 cents less than Navy. In the Veterans' Administration it was \$2.29, or 44 cents below Navy.

In Los Angeles, Navy was paying \$2.71 in comparison with \$2.64 for Army-Air Force. GSA had raised its rate to \$2.46 but still noticeably below the military agencies.

The rate for janitor in Omaha was \$2.46 in Army-Air Force, 48 cents above the rate of \$1.98 for GSA, and 68 cents above the \$1.78 for the Veterans' Administration.

Similar differences were apparent in the New York City area schedules. Army-Air Force was paying \$2.51 for janitor compared with \$2.54 for Navy. GSA paid \$2.27 while the Veterans' Administration rate was \$2.17. The range among the four systems in this area and that in the New York area was 37 cents an hour.

The bill authorizes the Policy Committee, in section 5345, to develop a job evaluation system for the purpose of determining the relative value and qualification requirements of each position subject to the uniform system.

The preparation of such standards is to be a cooperative endeavor of the Policy Committee and the employing agencies. They are to supply information to the Committee for the preparation of the standards. It is believed that as this standards function develops, the uniformity will soon be reflected on the rates established for like jobs.

At present the head of each agency is empowered to fix wages. Although the civilian agencies to a large extent have adopted many of the features of the two military wage systems, there are differences among agencies with respect to grade structure and job alinement. They vary also in coverage of their wage surveys and particularly in relation to their treatment of the data which they utilize and the application of the data collection to their own jobs.

The Policy Committee will prepare data collection forms and act as an arbiter in resolving appeals by labor organizations or Federal agencies which originate in the wage surveys. The Committee will also have the duty of designating the lead Federal agency in each wage survey district that will have the ultimate responsibility for conducting the wage survey. The uniform policy function of the Policy Committee is to culminate in the preparation of a manual which will outline survey procedures.

If there is to be intragency equity and comparability between Federal and industry rates, it is necessary for all agencies to employ survey methods which are common to all agencies. There also must be identical coverage and joint collection of data. Otherwise, the obvious



result will be that the Federal Government rates always will have an indeterminate relationship to the rates actually paid in private enterprise.

The bill would amend section 5346 of title 5 of the code so as to require collection of wage data in surveys conducted by Agency Wage Committees. At this point there is to be centralization of the wage survey system—and I am talking about not in a national board, not in the National Policy Committee, but in survey groups in each wage survey area.

Each agency wage committee would consist of five members. Two would be designated by the head of the lead agency or his designate. Two other members would be designated by the head of the labor organization having the largest number of wage board employees covered by exclusive recognition in the area to be surveyed.

These four members then would serve at the discretion of their respective designating authorities. The fifth member of the Agency Wage Committee, who becomes the Chairman, is to be selected by mutual agreement between the lead agency and the labor organization having designated two members.

I would like, gentlemen, at this point, to direct the Committee's attention once more to the fact that the National Policy Committee is providing only policy so far as the Agency Wage Committees are concerned. It is not permitted to extend its authority to the actual operation of a wage survey.

I emphasize this aspect of the bill because some of those who have disagreed with the AFGE support of this bill have erroneously insisted that wage rates will be surveyed and new rates determined by a central wage board.

They conclude, therefore, that the bill is unacceptable because there will be a nationally directed and nationally operated wage-fixing system. Nothing could be further from the truth.

It will be the task of the Agency Wage Committee to establish the boundaries of the wage survey area in which it is to function. General criteria for determining such boundaries would be formulated by the National Wage Policy Committee.

The Agency Wage Committee also is to make the selection of establishments from which industry wage data are to be obtained. The list of occupations to be surveyed will conform with instructions in the Policy Committee's manual.

The actual survey work would be done by Locality Wage Committees under the supervision of the Agency Wage Committee in the same area. The Locality Committee is to consist of three members. One member is to be designated by the lead agency in the wage survey area. The second member is to be chosen by the labor organization having the largest number of wage board employees under exclusive recognition agreements in the locality to be surveyed. These two members would then choose the chairman.

The bill lays down certain basic guidelines for a wage survey, but much of the success of a survey will depend on thoughtful and coordinated action. There is, for example, the matter of determining geographic coverage of a survey. In some instances the location of Federal establishments coincides with the concentration of private enterprise in the same labor market.



In many instances, either Federal establishments or private enterprise activities are so widely dispersed that it is difficult to define the area in which a common Federal wage schedule will apply satisfactorily.

There is no easy single definition of a locality or of a labor market. The bill requires the inclusion of at least one standard metropolitan statistical area because it would insure the inclusion of a unified area which is meaningful for social and economic purposes. Such an area represents a natural geographic definition of a survey area which is an economic unit.

If certain Federal establishments are outside a standard metropolitan statistical area, it would be wise to enlarge the survey area on which wages are to be based so as to include the nearest metropolitan area.

The size of the private enterprise establishment to be surveyed also is important to the survey. It does not follow that all relatively small establishments will produce poor wage comparisons, but the rule should be that an establishment should be large enough to be representative of the type of industry which requires specific and identifiable skills at all grade levels.

The bill requires the matching of positions solely on the basis of duties and responsibilities. The data to be collected are to include hourly straight time rates and also bonuses, incentive payments, shift differentials, and overtime rates. At least 50 percent of the positions to be surveyed are to be in firms having collective bargaining agreements which provide the various protections implied in union membership.

The wage rates collected by the locality wage committee will be forwarded to the agency wage committee for the area involved for review, and it will be the agency committee that will make the final determination of wage rate changes in each area. The important and needed improvement will be to have one survey committee operating within the area. The determination of a new wage schedule will not be made in Washington nor by separate agencies but by a coordinated committee representative of all agencies having wage board employees within an area.

The amendment identified as subsection 5346(j) of the code provides a differential for hazardous work. There should be a differential which gives an employee exposed to dangerous situations an additional payment of not less than 25 percent.

Mr. Chairman and members of the committee, I have with me this morning this gentleman from Picatinny Arsenal who in a few minutes will tell you about some of the conditions at that arsenal, where during the past few years some 65 people have been killed—I understand it is 46, but that is still too many.

One of the tragic occurrences which typified extreme hazard was the death of four AFGE members March 9, 1967, at the Picatinny Arsenal, Dover, N.J., and that is what he will talk about.

Four men were killed in a flash fire while working in an aircraft bomb assembly room. The employees were at the time receiving only 6 cents an hour as a hazardous-duty pay differential—only \$2.40 a week.



Another tragedy ended the lives of seven wage board employees of the Navy among the 129 men lost when the Navy atomic submarine *Thresher* sank in the North Atlantic, April 10, 1963. These employees included one inspector, two electricians, two pipefitters, and two marine machinists, all employed at the Portsmouth, N.H., Naval Shipyard. It is understood that the hazard differential paid these men was \$1.56 an hour, but at what period of time? This differential was paid only during the actual time that the submarine was diving. There was no differential paid either before or after the submarine dived.

This bill offers appeal rights to the agency wage committee and a final appeal to the policy committee. It would be the employee's right to inspect any official evaluation of his position as well as of his performance.

The wage schedule to be established under this bill is described in the amendment to section 5347 of the Code. The bill does not specify the number of grades but only requires that there be as many levels of difficulty and responsibility as the policy committee shall determine. However, the schedule is to be uniform in all agencies.

There are to be 10 rates within each grade, each rate exceeding the preceding rate by 5 percent. The 10 rate grades will parallel the General Schedule of the Classification Act.

I might point out that the salary schedule of the original Classification Act of 1923 contained seven pay steps within the first 10 grades. In 1945 the first provision for within-grade increases was enacted, and in 1949 the new Classification Act added three longevity steps, making 10 in all in the first 10 grades. Longevity steps were extended through grade GS-15 by the Fringe Benefits Act of 1954.

Gentlemen, so far as we can see there was no reason why these step increases should not have been provided for wage board employees at the same time that they were provided for classified employees, and I believe the history of this legislation will show that one of the principal purposes for providing it for classified postal employees was to give incentive for long and satisfactory service. We should have provided the same incentive then. It is never too late to try to correct our injustices that we have perpetrated on these employees, and I think it was an injustice then.

I would like to point out to you that at the present time, with very, very few exceptions, there are one, two, or three steps in the wage schedule for wage board employees and 85 percent; yes, 85 percent, of all the wage board employees have already reached the top.

They have nothing to look forward to except the meager raises in cents per hour each year that some of them get.

Let me identify a case. At the Portsmouth Navy Yard, we have a welder down there who works on the atomic submarines. His grade is a WB-10. He has been a welder as a WB-10 for approximately 25 years. A new man comes in as a journeyman welder. Within 2 years he is receiving the exact same pay as this man who has been there 25 years and who is a master at the art of welding.

This marked disparity between the two pay systems represents an attitude of indifference toward those employees, an attitude which has permitted the blue-collar employees to fall far behind their classified coworkers over the years.



A classified employee since 1956 has been assured of the retention for 2 years of his basic rate of pay if his position was reduced in grade. A wage board employee would be given a similar advantage by this bill. He would be assured, so long as he occupied the same position, of the rate of pay he was receiving at the time a grade reduction was indicated.

There is also a provision requiring a wage board employee, when promoted to a higher grade, to receive an increase equal to not less than two step rates in the lower grade, before he was promoted. This again is in line with a premium benefit to which both the postal and the classified employees are already entitled.

Section 5544 of the United States Code would be amended to give wage board employees the same differential now available to classified employees for nightwork, standby duty, and irregular duty, as well as the double pay for holiday work.

The bill specifically applies the 40-hour basic administrative workweek and the 8-hour day to the blue-collar employees with one and one-half times the basic wage rate to be paid for work required on either of the 2 days outside the basic workweek which we believe should be Monday through Friday. That should be the basic workweek for everyone except in those cases where shift work is involved.

These, Mr. Chairman, are improvements in the varied and inequitable wage-fixing process now applying to blue-collar employees throughout the Federal civil service. These provisions in the bill before us are sorely needed to afford the same level of benefits which are now available to other Federal employees paid under other Federal pay systems.

Many of these changes are long overdue. The blue-collar employees have without doubt been overlooked in the development of a compensation system which is responsive to wage changes in private enterprise. There has been dereliction on the part of those organizations of which many of them are members—and I do not except the American Federation of Government Employees from its share in responsibility for the oversight and omissions which have plagued the blue-collar worker.

This is the reason why we are willing to take the lead in supporting as vigorously as we know how a legislative proposal which will offer some specific and significant improvements in the lot of these workers.

Mr. Chairman and members of this committee I want to thank you for the opportunity of appearing before you and giving you our interpretation of the wage board bill. Before I close I would like to ask first Mr. Falkowski from Picatinny Arsenal in New Jersey to give you the experience of that arsenal with respect to hazardous pay and hazardous work.

The CHAIRMAN. We would be very happy to go through your list of witnesses and then we will, if time remains, have questions following their testimony.

Mr. GRINER. Thank you.

(The bill as submitted by Mr. Griner and table 1 follow:)

A BILL To provide an equitable system for fixing and adjusting the rates of compensation of wage board employees

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Wage Board Rate Determination and Adjustment Act of 1967."*



SEC. 2 (a) Subchapter IV of chapter 53 of title 5 of the United States Code is amended to read as follows:

"Par. 5341. Policy

"(a) The purpose of this Act is to establish in the Government of the United States and of the District of Columbia a uniform system of determining and adjusting the rates of basic compensation of employees in recognized trades and crafts, or other skilled mechanical crafts, or in skilled, semiskilled, or skilled manual-labor occupations, and other employees, including foremen and supervisors, in positions having trade, craft, or laboring experience and knowledge as the paramount requirement.

"(b) It is hereby declared to be the policy of Congress that the wage system herein provided shall—

"(1) have for its objective the provision and maintenance of like pay for like work for all employees who are working under similar conditions of employment in all departments and agencies of the Federal Government excepting those enumerated in section 5342;

"(2) be so developed and maintain that it will attract and retain qualified workers by the payment of rates which are fair to employees and beneficial to the employing agency;

"(3) provide relative differences in pay only where there are substantial or recognizable differences in duties, responsibilities, or qualifications among positions;

"(4) permit the maintenance of a level of rates of pay in line with prevailing levels for comparable work within a survey area.

"Par. 5342. Definitions and application

"(a) For the purpose of this subchapter—

"(1) 'agency' means (A) any executive agency, including corporations wholly owned by the United States, (B) the Library of Congress, (C) the Botanic Garden, (D) the General Accounting Office, (E) the Office of the Architect of the Capitol and (F) the municipal government of the District of Columbia but does not include—

"(i) the field service of the Post Office Department;

"(ii) the Tennessee Valley Authority;

"(iii) the Atomic Energy Commission;

"(iv) the Central Intelligence Agency;

"(v) the Panama Railroad Company;

"(vi) those departments, agencies, and components thereof, where the present practice of wage setting is through negotiated agreements;

"(vii) employees of the Government Printing Office whose rate of pay are fixed in accordance with 44 U.S.C. 40;

"(2) 'Policy Committee' means the National Policy Committee established under section 5344;

"(3) 'employee' means an individual employed in or under an agency, including employees none or only part of whose compensation is paid from appropriated funds of the United States but not persons referred to in section 5343;

"(4) 'district' means an area to be surveyed which shall be as large an area as needed to obtain adequate wage data representative of large-scale industry or of conditions which are more nearly comparable to employment in the Federal service, and shall include at least one metropolitan area as defined by the Bureau of the Census. The geographical boundary of a district shall be extended as needed to insure the availability of positions in private enterprise which may appropriately be used for purposes of comparison with Federal jobs;

"(5) 'class' includes all positions which are sufficiently similar with respect to kind of work and qualification requirements as well as level of difficulty and responsibility;

"(6) 'position' means the work, consisting of the duties and responsibilities, assignable to a wage board employee;

"(7) 'grade' includes all positions which, although differing in kind or subject-matter of work, are sufficiently equivalent in level of difficulty and responsibilities, as well as level of qualification requirements, to warrant their inclusion within one range of rates of basic compensation as specified in this subchapter;



"(8) 'wage survey' means the collection of wage data for positions in private industry identified as and limited to manufacturing, transportation, utilities industries and construction and job shop rates. Such wage data surveys shall include at least 50 per centum of private industry organizations where rates are fixed by collective bargaining agreements as specified in section 5346. Such data shall be collected for positions the duties of which are comparable to those positions in agencies in the district in which a survey shall be made.

"(b) This subchapter shall apply to all wages board positions in or under the agencies.

**"Par. 5343. Crews of vessels**

"(a) Except as provided by subsection (b) of this section, the pay of officers and members of crews of vessels excepted from chapter 51 of this title by section 5102(c) (8) of this title shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates and practices in the maritime industry.

"(b) Vessels of the Panama Canal Company shall be paid in accordance with the wage practices of the maritime industry.

**"Par. 5344. National Wage Policy Committee**

"(a) (1) There is hereby established a Committee to be known as the 'National Wage Policy Committee' (hereinafter referred to as the 'Policy Committee') which shall be composed of seven members appointed by the Secretary of Labor and serving for terms of three years each, three of whom shall be appointed as representatives of Federal agencies, three of whom shall be appointed as the representatives of employee organizations having a substantial number of members under exclusive recognition agreements pursuant to Executive Order 10988, and a seventh member who shall be the Secretary of Labor or a member of his staff designated by him. The Committee shall designate one of its members as Chairman. The Committee shall report directly to the Secretary of Labor;

"(2) Each member of the Policy Committee shall receive compensation in accordance with the General Schedule of the Classification Act of 1949, as amended;

"(3) The Policy Committee is authorized, subject to the civil-service laws, to appoint such clerical and professional personnel as may be necessary for the execution of its functions, and shall fix their compensation in accordance with the Classification Act of 1949, as amended. The Policy Committee is authorized to make such expenditures for supplies, facilities, and services as it deems necessary. All expenses of the Policy Committee, including all necessary travel and subsistence expenses outside the District of Columbia incurred by the members or employees of the Policy Committee, under its orders, shall be allowed and paid on the presentation of itemized vouchers therefore approved by the Chairman of the Policy Committee or by any individual it designated for that purpose. The principal office of the Policy Committee shall be in the District of Columbia, but the said Policy Committee is authorized to perform its work at any place deemed necessary.

"(b) It shall be the function of the Policy Committee to develop and maintain a uniform system of determining and adjusting rates of basic pay of employees within the classes excepted from chapter 51 of this title by section 5102 (c) (7). The Policy Committee shall be responsible for the determination of wage principles and methods and procedures in the operation of a wage rate system.

**"Par. 5345. Job analysis and evaluation**

"(a) The Policy Committee is authorized and directed to develop a job evaluation system for the purpose of determining the relative value and qualifications requirements of each position subject to this subchapter.

"(b) The Policy Committee, with the advice of the agencies, shall prepare standards for placing positions in their proper classes and grades. The standards so prepared shall define the various classes of positions in terms of duties, responsibilities, and qualifications requirements, establish official class titles, and define the grades in which such classes have been placed by the Committee.

"(c) At the request of the Policy Committee, the departments shall supply information for and cooperate in the preparation of such standards. The standards shall be published in such form as the Policy Committee may determine, and shall be maintained in relation to current position content. After consultation



with the departments, the Policy Committee may revise, supplement, or abolish existing standards, or prepare new standards.

"(d) The Policy Committee is authorized and directed to (1) ascertain currently the facts with respect to the duties, responsibilities, and qualification requirements of any position, and to place any newly created position or any other position in an appropriate class and grade; and (2) decide whether any position is in its appropriate class and grade.

"(e) The Policy Committee shall, from time to time, review such number of positions in each agency as will enable the Committee to determine whether such agency is placing positions in classes and grades so as to conform with published standards.

"(f) Evaluation of supervisory positions shall be based on their relative duties, responsibilities, and qualification requirements to provide appropriate pay differentials over that of the workers supervised. Such differentials shall be maintained either in a separate supervisory wage schedule and a supervisory job evaluation plan or by means of the application of appropriate percentage differentials in relation to the level of rates for nonsupervisory positions. The minimum pay differential for any supervisory position shall be at least 25 per centum more than the highest pay level supervised, but not less than 25 per centum of the journeyman level rate of the crafts or trade within the wage area surveyed.

"(g) The Policy Committee shall devise and issue standard data collection forms and shall have appellate authority over the settlement of appeals submitted in writing to the Committee by employee labor organizations or by Federal agencies.

"(h) The Policy Committee shall designate the lead Federal agency in each local area to conduct locality wage surveys. The lead agency shall normally be the agency having the largest number of wage board employees in a local wage area.

"(i) The Policy Committee shall develop a Manual of policy and instructions setting forth procedures for the guidance of wage survey committees engaged in the conduct of wage rate surveys.

#### "Par. 5346. Wage surveys and wage data processing

"(a) Wage survey data shall be obtained by means of wage surveys conducted by Agency Wage Committees consisting of five members. Two members shall be designated by the head of the lead agency or his designate. Two members shall be designated by the head of the labor organization having the largest number of wage board employees covered by exclusive recognition in the area to be surveyed. These four members of the Agency Wage Committee shall serve at the discretion of their respective designating authorities. The fifth member of the Agency Wage Committee, who shall act as Chairman, shall be mutually selected by the lead agency and the qualifying labor organization in the area involved in a particular survey.

"(b) The rate of compensation for all members of an Agency Wage Committee shall be determined in accordance with standards developed by the National Wage Policy Committee. All members of an Agency Wage Committee shall be paid from the appropriation of the lead agency in the area.

"(c) The Agency Wage Committee shall establish the boundaries of a locality wage survey area in which it is to function consistent with the criteria established by the National Wage Policy Committee.

"(d) The Agency Wage Committee shall designate the establishments the rates of compensation of which are to be collected in the locality wage area. The list of occupations to be surveyed will conform with instructions in the Policy Committee's Manual but may be augmented as necessary, subject to approval of the Policy Committee.

"(e) Wage surveys shall be conducted by Locality Wage Committees, under the supervision of the Agency Wage Committee in an area. Each Locality Wage Committee shall consist of three members. One member shall be designated by the lead agency in the locality wage area. One member shall be designated by the employee labor organization having the largest number of wage board employees under exclusive recognition agreements in the locality wage area. The third, member, who shall act as chairman, shall be designated by mutual agreement by the other two members.

"(f) Wage rate surveys shall be made at least every twelve months or at such other times as shall reflect significant or substantial wage rate changes in an industry within the area.



"(g) In collecting data, positions in the Federal or District of Columbia governmental service shall be matched with positions within an establishment surveyed solely on the basis of duties and responsibilities. The rate paid in each position matched shall be collected. The data regularly collected shall include separately reported hourly straight-time rates, bonuses, incentives, shift differentials, and overtime rates. All data collected shall be treated as confidential and shall not be revealed to unauthorized personnel. Whenever possible, at least 50 per centum of positions surveyed shall be positions in firms having collected bargaining agreements with organizations in which employees participate and which exist for the purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work. In compilation of wage data, the wage rates, including any differentials paid by private contractors to their employees in comparable positions, and engaged in contract work on a Government installation, shall be included in determining the rate of comparable work by Federal employees.

"(h) Each Locality Wage Committee shall insure the confidentiality of data collected.

"(i) Each Locality Wage Committee shall forward the raw data to the Agency Wage Committee, under whose direction it functions, for review and final approval. The Agency Wage Committee shall make the final determination of wage rate changes to be made within the area.

"(j) Uniform provision shall be made in wage rate determinations for an appropriate differential to be paid for duty which involves a measurable degree of physical hardship or hazard in its performance. The Agency Wage Committee shall establish a schedule of differentials for such duty which is regularly or intermittently an element of a position subject to the provisions of this subchapter. Such differential shall be not less than an amount equal to 25 per centum of the regular basic rate of compensation applicable to any position and shall be paid for such minimum periods as the Committee may determine to be appropriate and under policy developed by the Policy Committee.

"(k) Each change in rates of basic compensation determined by the Agency Wage Committee, as consistent with the public interest in accordance with prevailing rates under authority of this Act, shall become effective not later than the first day of the first pay period which begins on or after the forty-fifth day, excluding Saturdays and Sundays, following the date on which such survey was ordered to be made.

"(l) Any employee subject to the provisions of this subchapter shall have the right to appeal the evaluation of his position or his rate of compensation to the Agency Wage Committee, and the right of further appeal to the Policy Committee.

"(m) Such employee shall also have the right to inspect any official evaluation not only of his position but of his efficiency or performance of the duties of his position. Under this section, he shall not only be shown the statement or record on which the performance of his duties or evaluation of his position has been based, but shall sign a statement to the effect that he has been shown the record. Signing of such statement will not be construed as meaning that the employee is in agreement with the rating or evaluation."

#### "Par. 5347. Wage Rate Schedule

"(a) There is hereby established a basic wage rate schedule which shall be divided into as many grades of difficulty and responsibility as the Policy Committee shall determine. Such schedule shall be uniform in application in all agencies.

"(b) Each grade shall be divided into ten wage rates, each successive rate exceeding the preceding rate by 5 per cent.

"(c) For each employee compensated in accordance with the rate determination system established by this subchapter, the waiting periods for advancement to the following rates in all grades are:

"(i) Rate 2—26 calendar weeks of creditable service;

"(ii) Rates 3 and 4—52 calendar weeks of creditable service;

"(iii) Rates 5, 6, and 7—104 calendar weeks of creditable service;

"(iv) Rates 8, 9, and 10—156 calendar weeks of creditable service;

"*Provided*, That he has a current performance rating of 'satisfactory' or better; and that the benefit of successive step-increases shall be preserved, under regulations issued by the Policy Committee for employees whose continuous service is interrupted in the public interest



by service with the armed forces or by service in the essential non-government civilian employment during a period of war or national emergency.

"(d) Any employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step increases of the grade from which he is promoted or transferred.

"(e) A separate wage schedule shall be established by the Agency Wage Committee for each wage survey district. The wage schedules so established shall apply equally to employees paid from nonappropriated funds as well as those paid from regular appropriations of the United States. Such schedule in each district shall be revised from time to time so as to reflect wage rate changes in private industry within the district. As circumstances may require, separate wage rate schedules shall be maintained for positions which reflect conditions peculiar to certain industries. Separate surveys shall be made of such appropriate industrial units following the procedure indicated in sections 5345 and 5346.

"(f) (1) An employee subject to this subchapter, who is holding or has held a career or career-conditional appointment in the competitive Civil Service, whose position has been determined to be in a lower grade, shall continue to receive the rate of basic pay to which he was entitled immediately prior to such determination, plus subsequent increases in that rate provided by law, so long as he continues to occupy the position;

"(2) if it has been determined that there has been a material change in duties of the position, it may be reclassified only after the incumbent employee leaves the position, Provided: the last performance evaluation of the employee was satisfactory or better than satisfactory.

"(3) the Policy Committee is authorized to issue regulations to carry out the purposes of this subsection.

#### "Par. 5348. Regulations and Report

"(a) The National Wage Policy Committee is hereby authorized to issue such regulations as may be necessary for the administration of the subchapter.

"(b) The Policy Committee shall prepare and submit to the Secretary of Labor an annual report relative to rates of pay, number of surveys conducted, and such other information as the Policy Committee may deem necessary.

#### "Par. 5349. Administration

"(a) Nothing contained in this subchapter shall be construed to decrease the existing rate of basic pay of any present employee subject to its provisions.

"(b) In the administration of this subchapter there shall be no discrimination with respect to any person or to the position held by any person subject to this subchapter on account of sex, marital status, race, creed, color, or union affiliation.

"(c) Nothing in this subchapter shall be construed to affect the application to employees to whom this subchapter applies of the veteran-preference provisions of this title."

(b) The table of contents of subchapter IV of chapter 58 of title 5 of the United States Code is amended to read as follows:

"Sec.

"5341. Policy.

"5342. Definitions and application.

"5343. Crews of vessels.

"5344. National Wage Policy Committee.

"5345. Job analysis and evaluation.

"5346. Wage surveys and wage data processing.

"5347. Wage rate schedule.

"5348. Regulations and report.

"5349. Administration."

SEC. 3. "(a) Section 5544 of title 5 of the United States Code is amended by adding at the end thereof the following subsections:

"(c) The differential to be paid for nightwork, standby duty, and irregular duty shall be computed as provided in section 5545;

"(d) Pay for holiday work shall be at the rate provided in section 5546;

"(e) The differential rates provided in this section shall be paid in addition to the premium rate provided in sections 5346(j) and 5546.

"(f) The basic forty-hour administrative workweek shall be scheduled Monday through Friday, except when shift work is involved, and the two days outside the basic workweek shall be consecutive;



"(g) for any work performed other than during the basic workweek and beyond eight hours in any eight-hour workday, the hourly rate of pay shall be equal to one and one-half times the hourly rate of basic pay of the employee;

(b) The catchline of section 5544 is amended to read as follows:

"Par. 5544. Premium pay rates and basic workweek."

(c) The item designated "5544" in the table of contents of subchapter V of title 5 of the United States Code is amended to read as follows: "5544 wage board premium pay rates."

SEC. 4. All laws or parts of laws inconsistent with this Act are hereby repealed to the extent of such inconsistency.

SEC. 5. This Act shall take effect on the first day of the first pay period which begins six months from the date of enactment.

TABLE 1.—Federal hourly wage rates for selected areas, agencies, and jobs, June 30, 1964

| Area                     | Agency              | Janitor | Trades helper | Electrician |
|--------------------------|---------------------|---------|---------------|-------------|
| Detroit, Mich.-----      | Navy-----           | \$2.53  | \$2.78        | \$3.44      |
|                          | Army-Air Force----- | 2.52    | 2.78          | 3.44        |
|                          | VA-----             | 2.10    | 2.78          | 3.44        |
|                          | GSA-----            | 2.10    | 2.78          | 3.44        |
| Los Angeles, Calif.----- | Navy-----           | 2.38    | 2.67          | 3.32        |
|                          | Army-Air Force----- | 2.32    | 2.68          | 3.27        |
|                          | VA-----             | 2.04    | 2.68          | 3.27        |
|                          | GSA-----            | 2.04    | 2.68          | 3.27        |
| New York, N.Y.-----      | Navy-----           | 2.36    | 2.67          | 3.25        |
|                          | Army-Air Force----- | 2.26    | 2.65          | 3.20        |
|                          | VA-----             | 1.96    | 2.65          | 3.20        |
|                          | GSA-----            | 1.96    | 2.65          | 3.20        |
| Washington, D.C.-----    | Navy-----           | 2.14    | 2.41          | 3.05        |
|                          | Army-Air Force----- | 2.00    | 2.45          | 3.04        |
|                          | VA-----             | 1.59    | 2.45          | 3.04        |
|                          | GSA-----            | 1.47    | 2.45          | 3.04        |
| Omaha, Nebr.-----        | Navy-----           | 2.26    | 2.46          | 2.88        |
|                          | Army-Air Force----- | 2.15    | 2.46          | 2.88        |
|                          | VA-----             | 1.62    | 2.46          | 2.88        |
|                          | GSA-----            | 1.64    | 2.46          | 2.88        |
| Macon, Ga.-----          | Navy-----           | 1.55    | 1.86          | 2.70        |
|                          | Army-Air Force----- | 1.48    | 1.86          | 2.68        |
|                          | VA-----             | 1.32    | 1.86          | 2.68        |
|                          | GSA-----            | 1.32    | 1.86          | 2.68        |

#### STATEMENT OF WALTER T. FALKOWSKI, PRESIDENT, LODGE 225, PICATINNY ARSENAL, DOVER, N.J.

MR. FALKOWSKI. Mr. Chairman and members of this honorable committee, I will present the facts at Picatinny Arsenal. The fact that 46 employees of the Picatinny Arsenal have over the years lost their lives is the most compelling argument for speedy improvement of pay and working conditions at that installation.

Because so many employees have been killed there in line of duty, it clearly indicates the extreme hazard under which they are working. It also emphasizes the need for reviewing the present schedule of hazard rates of pay as well as the adequacy of the safety measures which are provided for the protection of the work force.

On March 9, 1966, two men were killed when newly developed aircraft bombs exploded in an assembly room at the arsenal. One year later to the day—March 9, 1967, four men, all members of the Ameri-



can Federation of Government Employees, were killed in a flash fire in an aircraft bomb assembly room.

Next to the tragic fact that these employees lost their lives is the pitifully small pay differential—6 cents an hour—they were receiving at the time of their death. For they were risking their lives for an extra 48 cents a day.

Not only is the differential for hazard too low, but the basic rate also is below what it should be to compensate the employees adequately and assure the Government of a work force that is sufficiently trained and experienced not only to do their work efficiently but to be able to do it in maximum safety.

The arsenal has been plagued by a high rate of turnover. One important reason for the turnover is low wages that are offered explosives operators and munitions operators. This dangerous work is being done by employees in a grade as low as WB-3. It would be more in keeping with the physical and mental demands on these employees if these grades were WB-6 or WB-8.

Senator YARBOROUGH. Mr. Chairman.

The CHAIRMAN. Senator Yarborough.

Senator YARBOROUGH. How much does the WB-3 wage rate pay an hour?

Mr. FALKOWSKI. The WB-3 is about \$2.25 or \$2.30 an hour.

Senator YARBOROUGH. Thank you.

Mr. FALKOWSKI. They have been promised higher grades but so far the change has not taken place.

As the representative of the personnel employed at Picatinny, Lodge 225 of the AFGE requested the opportunity of cooperating with the management of the arsenal. As president of the lodge, I asked the commanding officer to supply the lodge with copies of pertinent annuals relating to the loading operation as well as applicable safety engineering standards, codes, or instructions.

Our purpose was to give management the benefit of the knowledge and experience of the employees. We had no intention of interfering with the official investigation or of embarrassing management. However, we were denied the documents requested because some portions of the investigation and documentation involved classified material.

I mention this, not to be critical, but to emphasize the earnest desire of our lodge and the employees we represent to assist in the task of finding out not only the cause of these disasters but of learning what safety measures are needed to prevent them.

We also submitted to management a list of questions which we believed should be considered in the course of the investigation. This included such questions as:

Was there dust collection? Was there adequate ventilation? Was there adequate supervision? Was the sprinkler system working? Were they class A operators, which would be WB-8's? Were they wearing proper safety equipment?

And a number of other questions.

It is important to look into the orientation and training of new employees, particularly when there is marked turnover. For example, the amount of thumb pressure is important when loading a shell. Em-



employees must change protective clothing and take a shower before leaving. They should be given sufficient time for these measures.

In closing, I would like to emphasize the need for improvement of basic pay and hazard differential and greater attention to the establishment and maintenance of an adequate safety program. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. GRINER. Now, Mr. Chairman, I would like to call on Mr. Kermit Tull, who is president of the lodge at Tinker Air Force Base in Oklahoma, for a comparison of some of the wage rates between Air Force bases of people who are doing the identical job, scarce mechanic's jobs. Mr. Tull.

**STATEMENT OF KERMIT I. TULL, PRESIDENT, LODGE 916, TINKER AIR FORCE BASE, OKLAHOMA CITY, OKLA.**

Mr. TULL. Mr. Chairman and distinguished members of the committee, our problem at Tinker relative to wage board employees involves primarily the more skilled workers, those at the nine level and above.

We have made comparisons a number of times of the pay these people receive at Tinker versus the pay for the same grades at similar installations located at Macon, Ga.; Mobile, Ala.; Ogden, Utah; Sacramento, Calif.; and San Antonio, Tex.

These comparisons always reveal that Tinker's workers in grades 9 and above are paid less than people doing the same level of work at the installations previously mentioned. Some instances of the wage spread are at W-10; the rate at Tinker is \$2.89 an hour. At San Antonio, which is the nearest base to us, it is \$2.95 an hour, a difference of 6 cents.

At Sacramento the same grade pays \$3.54 an hour, a difference of 65 cents per hour. At the WB-14 grade at Tinker the rate is \$3.57 an hour. At Kelly it is \$3.90 an hour. The highest rate for W-14 is at Sacramento at \$4.31 an hour.

|           | Tinker | Kelly  | Spread | Sacramento | Spread |
|-----------|--------|--------|--------|------------|--------|
| W-10..... | \$2.89 | \$2.95 | \$0.06 | \$3.54     | \$0.65 |
| W-12..... | 3.10   | 3.25   | .15    | 3.80       | .70    |
| W-13..... | 3.21   | 3.40   | .39    | 3.93       | .72    |
| W-14..... | 3.57   | 3.90   | .33    | 4.31       | .74    |

Just prior to coming to Washington we obtained wage scales which permit a comparison between Tinker and the nearby cities of Dallas, Tulsa, and Wichita. This comparison shows Tinker to be a "pocket of poverty"—sort of an Appalachia among Federal installations for Wage Board workers.

This comparison shows that at the very lowest levels, W-1 and W-2, the Tinker people are paid at a rate equal to the lowest among these



three cities and above that we are paid lower than the rates in these other three cities.

For instance, at the W-7 level at Tinker the rate is \$2.57. At Dallas it is \$2.77. At Tulsa it is \$2.71. At the W-9 level at Oklahoma City we are paid \$2.78. At Dallas, some 200 miles away, \$3.08. At the W-14 rate at Oklahoma City the rate is \$3.36 an hour, Dallas, \$3.81 an hour. Tulsa, a scant hundred miles away, \$3.63 an hour.

| Grade     | Oklahoma City | Dallas | Wichita | Tulsa  | Hi-Jo range |
|-----------|---------------|--------|---------|--------|-------------|
| W-1.....  | \$2.03        | \$2.03 | \$2.11  | \$2.09 | \$0.08      |
| W-2.....  | 2.14          | 2.14   | 2.23    | 2.18   | .09         |
| W-3.....  | 2.25          | 2.26   | 2.35    | 2.27   | .10         |
| W-4.....  | 2.30          | 2.37   | 2.42    | 2.36   | .12         |
| W-5.....  | 2.36          | 2.45   | 2.49    | 2.43   | .13         |
| W-6.....  | 2.46          | 2.61   | 2.62    | 2.57   | .16         |
| W-7.....  | 2.57          | 2.77   | 2.76    | 2.71   | .19         |
| W-8.....  | 2.68          | 2.92   | 2.89    | 2.84   | .21         |
| W-9.....  | 2.78          | 3.08   | 3.03    | 2.98   | .30         |
| W-10..... | 2.89          | 3.24   | 3.16    | 3.12   | .35         |
| W-11..... | 3.00          | 3.37   | 3.25    | 3.26   | .37         |
| W-12..... | 3.10          | 3.49   | 3.34    | 3.37   | .39         |
| W-13..... | 3.21          | 3.62   | 3.43    | 3.47   | .41         |
| W-14..... | 3.36          | 3.81   | 3.57    | 3.63   | .45         |
| W-15..... | 3.57          | 4.00   | 3.70    | 3.84   | .43         |

*Shift differential*

|              | 2d shift | 3d shift |
|--------------|----------|----------|
| Dallas.....  | \$0.10   | \$0.15   |
| Wichita..... | .12      | .18      |
| Tulsa.....   | .10      | .15      |

NOTE.—Oklahoma City, \$0.12.

Mr. Chairman, I am sure you are aware of the many statements made in recent months concerning Oklahoma's needs for technical schools to train technicians for Tinker. These needs are not debatable—but unless these technicians can be paid adequately they will not be working at Tinker—we will be training them to work elsewhere, where pay is adequate.

This problem at Tinker of low pay for the skilled worker is caused by the lack of heavy industry in the Oklahoma City area. There is little on which comparisons for wage survey purposes can be made. We feel that section 5342(a) (4) of the bill will provide the latitude needed to insure that survey areas will be sufficiently broad that comparable positions will be surveyed.

General schedule and postal workers have long had a system of pay which provides for step increases based on time-in grade. We believe it is a common practice in industry to pay more for experience gained on the job and to reward long and faithful service. This bill provides step increases for Wage Board workers—we feel simply justice requires this step increase system.

(Comparison of general schedule and W, L, F, pay follows:)



## WAGE BOARD EMPLOYEES

*Comparison—GS and W, L, F, pay*

## GENERAL SCHEDULE STEP 4, YEARLY

| Grade and pay                             | Number of people | Percent of total |
|-------------------------------------------|------------------|------------------|
| GS-1, under \$4,000.....                  | 8                | -----            |
| GS-2 to GS-4, \$4,324 to \$5,256.....     | 3,072            | 32               |
| GS-5 to GS-7, \$5,859 to \$7,090.....     | 2,390            | 25               |
| GS-8 to GS-11, \$7,773 to \$10,166.....   | 3,217            | 33               |
| GS-12 to GS-13, \$12,064 to \$14,217..... | 884              | 9                |
| GS-14 up, \$16,675 to \$22,085.....       | 80               | 1                |

## W, L, AND F STEP 3, YEARLY

|                           |        |       |
|---------------------------|--------|-------|
| Under \$4,000.....        | 0      | ----- |
| \$4,000 to \$5,138.....   | 1,099  | 8     |
| \$5,158 to \$7,176.....   | 11,814 | 88    |
| \$7,218 to \$10,150.....  | 522    | 4     |
| \$11,066 to \$14,248..... | 18     | ----- |

NOTE.—Weighted average: GS salary (step 4), \$7,492; W, L, F annual wage (step 3), \$5,894.

This concludes my statement. Thank you very much.

The CHAIRMAN. Thank you very much, Mr. Tull.

Mr. GRINER. Now, Mr. Chairman, I have with me Royal Sims from the Veterans' Administration at Philadelphia. Royal is going to talk about the comparison of rates for the same occupation within the same area. I think you have noticed from my statement, Mr. Chairman and members of the committee, that the Veterans' Administration has probably the lowest paid group of people in the lower service grades. We have a great mass of employees in housekeeping and food service work. There have been cases where these people were actually in the poverty lines because they were not receiving enough to keep food on that table and shelter over their heads, but Royal will tell you more about it. Go ahead, Mr. Sims.

#### STATEMENT OF ROYAL L. SIMS, PRESIDENT, AFGE NATIONAL COUNCIL OF VETERANS' ADMINISTRATION LODGES

Mr. SIMS. Mr. Chairman, attention has already been directed to the disparity between the wage rates of Army-Air Force, Navy and the Veterans' Administration. It is a fact which points up the need for effective measures, such as the legislation presently before this committee, to improve the systems which are causing these marked differences of rates within the same city or survey area.

There is another important aspect of this wage situation which I would like to summarize briefly so far as it relates to the Veterans' Administration. It is the need for a single wage schedule for all Federal agencies within a given survey area, also the desirability of comparing Federal jobs with those in establishments which are characterized by better working conditions than would be found in small, nonunion enterprises in which skill and experience are given little weight.

There are three areas in the Veterans' Administration service which call rather emphatically for improvement. They are the laundry service, the housekeeping service, and the dietetic service.

In the laundry and service-type employment, wage rates are so low that they are plainly inadequate for anyone with family responsibilities. During the last year or two there have been many references to



a \$3,000 annual income as indicating emergence from poverty. It should be kept in mind that this dividing line, so to speak, represents \$1.48 an hour. That rate is above many of those which will be quoted. They ranged from \$1.46 in Shreveport to \$1.69 in Roanoke to \$1.71 in Nashville, and \$1.79 in Dallas.

Some seem to find it hard to believe that Federal employees are making less than \$3,000 per year. I have listed from a survey that was taken at our Veterans' Administration center in Temple, Tex., a rate which clearly indicates that 90 people are receiving less than the poverty rate. In the dietetic service in WA-1, 23 employees, step 1 with \$1.25; step 2, \$1.32; step 3, \$1.39, for an annual salary of \$2,891.20. In WA-2 there were 36 employees paid \$1.30 in step 1, \$1.37 in step 2, \$1.44 in step 3, for an annual salary of \$2,959.20. At WA-3 there were 28 employees in step 1 at \$1.36 an hour; step 2, \$1.43 an hour; step 3, \$1.50 an hour for an annual salary of \$3,120.

In housekeeping service at WA-2 there were 27 employees paid in step 1, \$1.30 an hour; step 2, \$1.37; step 3, \$1.44, for an annual salary of \$2,995.20.

At WA-3, eight employees, step 1, paid \$1.35 an hour; step 2, \$1.43; step 3, \$1.50, for an annual salary of \$3,120. In the laundry service, WA-1, four employees received \$1.25 an hour in the first step, \$1.32 an hour in the second step, \$1.39 in the third step, for an annual salary of \$2,981.20.

At WA-3 there were 10 employees, \$1.35 in the first step, \$1.42 in the second step, \$1.49 in the third step, for an annual salary of \$3,103.20.

The average yearly salary for these 136 employees is \$3,015.53. There are 90 employees in this group who receive less than \$3,000 income yearly. The yearly salary was computed on the pay rates for the third step of each grade.

The variation of rates for the same job in different areas is indicated in comparing this second step of WA-2. Following are a few examples of rates in low-wage areas for the laundry jobs.

This rate in Dallas, Tex., Nashville, Tenn., Roanoke, Va., and Shreveport, La., was \$1.37.

The second rate in WA-2 for service-type jobs, such as janitor, in the same areas in 1966 were: Dallas, Tex., \$1.62, Nashville, Tenn., \$1.57, Roanoke, Va., \$1.59, and Shreveport, La., \$1.37.

Comparable rates for Chicago, by contract, were \$1.65 for laundry work, and \$2.29 for service jobs in 1967.

Even the scheduled second step in WA-2 of the Veterans' Administration 1966 mechanical trades wage rate schedule showed considerable variation and did not rise much above the laundry and service schedule rates. They ranged from \$1.46 in Shreveport to \$1.69 in Roanoke to \$1.71 in Nashville, and \$1.79 in Dallas, Tex.

The only solution for many employees who are dependent on jobs paying such low rates is to try to hold a second job. This moonlighting is, of course, not the answer to the problem of providing family income. The remedy is apparently uniformity among different agencies in the same wage survey district.

Mr. Chairman, as president of the National Council of VA Lodges and having traveled in most of the major cities around our country I have been greatly impressed with the dedication of these low-paid employees who are rendering a tremendous service to the men and



women who have served our country in the time of war and peace and I should think that these people should be highly paid so that they can have a smoother touch in saying that their Government who is hiring them to render this service is paying them the salary as well.

I thank you, Mr. Chairman, for this opportunity.

The CHAIRMAN. Thank you very much, Mr. Sims. [Sustained applause.]

Mr. GRINER. Mr. Chairman, I would like to point out just in case there might be some misunderstanding that the figures that Royal was quoting were based on a survey made in 1966 or prior to February in 1967 when the minimum rate \$1.40 an hour was applied to these people.

However, I might say that this minimum rate had very little effect except in the very lowest categories. It was raised to meet that rate and when I say that I think I can say that that is about all that I can say for it. [Applause.]

The CHAIRMAN. We have another very important presentation to be made. I would like to introduce at this time two of the fellow members of our committee, the distinguished senior Senator from Texas, Senator Yarborough, the ranking member of the committee, to my right, and the distinguished junior Senator from Arizona, Senator Fannin, to my left, who have joined since I introduced the others.

We will limit our questions to one or two to your panel so we can get to the others. Mr. Griner, in respect to the November 1965, directive of the President to the Chairman of the Civil Service Commission and the head of the departments and agencies, asking them to review and revise the wage board system in order to obtain more coordination and uniformity, have any significant improvements been made as a result of the President's directive? Would you comment on this and tell the committee whether you believe this executive action is enough to correct the inequities, many of which you have so ably presented here at this hearing.

Mr. GRINER. Mr. Chairman, I happen to be on that committee and as a member of that committee I can say that it has moved very, very slowly. We as labor members of the committee were supposed to have some voice in it and we practically have been closed out.

Some of the proposals, and they are only proposals at this point, which have been made to the committee are not any far-reaching proposals. In fact, I think they would be really worse in some respects than some of the things that we now have.

Frankly, I believe that it will take legislation to do some of the things that must be done for these employees in order to bring them in line with the classified postal employees. Some of those things might be step increases or your night differentials and things of that nature. Some of the other things might possibly be done through administrative action or through an Executive order of the President.

Mr. Chairman, if you will permit me to remark, I think it is time now that we got busy and, if necessary, take this out of the hands of the Commission and do the job that you gentleman can do.

The CHAIRMAN. Senator Yarborough?

Senator YARBOROUGH. Mr. Griner, I congratulate you on this very, very forceful and very fine statement you made. Any member of this committee would profit by hearing it.



Yesterday afternoon, I had set up at 4 o'clock in the afternoon coffee for the delegates here from my home State of Texas. I could go for only 5 minutes due to a very urgent and critical matter pending on the floor of the Senate which I am sure you know about. That is why we have to leave at 11 o'clock.

During that very few minutes there I learned of this meeting this morning. Except for the coffee that I had with my Texas friends who are here I wouldn't have known of it until this morning and I might have been in another place.

I have one question. There is just one question I will ask, in the interest of time. That is on page 9 it says:

It will be the task of the Agency Wage Committee to establish the boundaries of the wage survey area in which it is to function.

Now, if you create area wage committees and leave each of them to establish its own boundaries won't you have conflict and overlapping unless the boundaries of the different areas are established by this National Policy Committee?

Mr. GRINER. The National Policy Committee will set up the rules and regulations for establishing those boundaries and then your wage committees will come in. You might in some particular cases, Senator, have a place that will overlap.

However, let me cite you just about such a case that could happen. You have in San Antonio, Tex., some of the largest Federal installations that there are in this country. In order to actually compare the job that is being done at San Antonio, Tex., with the same job that is being done in private industry it will probably have to go all the way to Dallas to find some airplane mechanics and the people who build planes.

It may be necessary, on the other hand, for Tinker Air Force to go to Wichita or to Tulsa where these planes are being manufactured.

I don't foresee any particular harm even if we did overlap just a bit in order to find comparable jobs to the principal jobs in the installation. In a lot of cases at the present time we are actually reaching up in the air and grabbing a pay rate for these jobs without actually comparing them with similar work in private industry.

At Warner Robins, you would have to go to Atlanta. Warner Robins is right in the middle of a farm area. It was built out of a big farm, some 18, 20 miles from Macon, and Macon certainly isn't the industrial South. These are some of the things that we are faced with throughout the country.

Senator YARBOROUGH. Of course, these wages as given at the Temple VA center, a big VA center, are based on the Federal minimum wage law and that is true in San Antonio with the big laundry.

Up until we passed the minimum wage law last year that brought laundry workers under it for the first time, that is, in private enterprise employment, laundry workers in San Antonio, to February 1 of this year, in private industry were receiving from 40 to 65 cents an hour, because we have no minimum wage law in Texas. Congress just recently put all Federal employees under the minimum wage law.

Mr. GRINER. Including nonappropriated-fund employees.

Senator YARBOROUGH. Including those in the PX and all. They were getting terribly low wages until we brought them under the Federal minimum.



As you point out, the general Federal minimum wage went to \$1.40 February 1 and by steps will go up to \$1.60 an hour. Of course, that doesn't solve all these other problems you have, but it has tremendously benefited the workers in the dietary field and in the laundry field and others in these VA centers.

I have only one question about the VA employees. Is the lower scale in VA and in GSA due in any part to employment of veterans who have some disability? Does the VA in its janitorial or housekeeping service employ veterans with a percentage of disability where they can't do quite as much work?

Mr. GRINER. No, sir. It has no bearing whatsoever. In other words, you need good, strong, healthy people to do these jobs, Senator.

Senator YARBOROUGH. I realize that. You just go around the country and talk to Federal judges about the lousy cleaning that is going on in the Federal courts now under some GSA supervision.

Mr. GRINER. We have heard those complaints, too.

Senator YARBOROUGH. I have had Federal judges tell me in the buildings the caretaking is going down to where they are ashamed to go in there, they are so dirty. That is what Federal judges have told me personally and we really should hire competent people.

Mr. Chairman, due to interest of time I will not ask questions we are interested in. I thank all of you for this presentation. We have very important and distinguished members of our committee who have questions.

The CHAIRMAN. Thank you, Senator. I do regret the shortage of time and we will later at subsequent hearings want to amplify testimony, but we want to get through with all the witnesses.

Senator Fong?

Senator FONG. I too would like to join my colleagues in commending Mr. Griner and his associates for a very fine presentation. I am familiar with this problem because in my State the laundry workers at Schofield Barracks, I think, were receiving approximately 30 cents less than the workers at the navy yard and they had written me. I wrote to the Department of the Army and asked them to reconsider the wages paid the Army laundry workers. They finally brought the wages for laundry at Schofield Barracks up to the wages of the laundry workers at the navy yard, so I am familiar with this problem.

Mr. Griner, you propose in this bill to place the power in the hands of the Secretary of Labor rather than where it now rests, in the hands of the President through the Civil Service Commission.

Would you mind telling this committee why you make that proposal?

Mr. GRINER. We believe that the Secretary of Labor or the Labor Department is better equipped to deal with blue-collar workers and the problems of blue-collar workers than the Civil Service Commission is which historically has been dealing with classified problems which are somewhat different from the blue-collar workers.

We believe that they have people who know more about what the employee actually does, in other words, who have the practical training and the practical ability rather than the theoretic training and the theoretic ability to judge the grade and other elements that might fall under this bill.

Senator FONG. You feel that the Civil Service Commission is more theory than practice?



Mr. GRINER. I am afraid to at least a degree that I will have to agree with you, Senator. [Laughter.]

Senator FONG. Because of the shortage of time I will yield to my colleagues.

Mr. GRINER. Senator, may I ask our people who happen to be here this morning as a personal favor to me as well as to you Senators that we don't have any demonstrations. I certainly appreciate it. I want to respect your wishes.

The CHAIRMAN. Thank you very much. It will help expedite the hearings.

The distinguished author of the bill, Senator Brewster of Maryland?

Senator BREWSTER. Mr. Chairman, let me commend Mr. Griner on his excellent presentation of the supporting data for S. 1214 and perhaps ask a question or two.

Mr. Griner, let me refer you to your table 1 which you attached to your statement and the wage being paid a janitor in Washington, D.C.

Does the Navy get any better service or better personnel for \$2.14 an hour than the Veterans' Administration does for \$1.59?

Mr. GRINER. Yes, sir. Don't ask me to prove it, but I know I will accept a job at \$2.14 more readily than I would at \$1.47 doing the same work.

Senator BREWSTER. Do you see any reason why the Veterans' Administration—that the services that wounded naval veterans get should be any worse than the service the active Navy gets?

Mr. GRINER. I think that is one of the places that we should have the very best service, where cleanliness in a hospital or in any place operated by the Veterans' Administration should be number one on the list.

Senator BREWSTER. In your judgment would the upgrading of VA personnel and GSA personnel result in better services for our veterans and for our Federal judicial system?

Mr. GRINER. Without a doubt, Senator, it will. We are not asking anything special for them. We are just asking that they be given justice.

Senator BREWSTER. Do you understand there might be the possibility upon the establishment of the wage board as set forth in the proposed legislation that perhaps some of the top brackets might be reduced and you might strike a compromise somewhere in between?

Mr. GRINER. Senator, we have made some surveys and we believe that they will not be reduced. We believe that some of the lower classified employees, especially among GSA and the Veterans' Administration, will receive material increases, but even in these top craft jobs—I am talking about a machinist or an electrician, journeyman jobs—they are being underpaid in accordance with equivalent jobs in private industry and a better survey system will actually raise the pay of those jobs, but not as much as the lower grades.

Senator BREWSTER. Do you have a substantial turnover in your lower paid blue-collar workers in Government service?

Mr. GRINER. May I ask Mr. Sims? He probably has that answer better at his fingertips. What do you have in the Veterans' Administration, Royal?



Mr. SIMS. We do have in the areas where the labor market is high; but in the rural areas, where there is no other employment, we do not. It is only where they can find a job that we find this kind of exodus that you will see.

As I say, in the smaller areas where there are no other jobs to go they stay there. I might add to that, Senator, that, as I pointed out earlier, so far as these people making the lower salary in the VA, they still have a sense of dedication to the veteran to the extent that they do a very fine job in these positions.

Senator BREWSTER. Where you do have a high turnover would it enable you to retain people in the service and give them more hope for a lifetime career in Government service if you had the additional graduations that we are talking about?

Mr. SIMS. Absolutely, certainly would. Another thing is it would be a great saving to the Government because you would not be so involved with the constant training of these employees.

Senator BREWSTER. One last question so I don't take too much time. As sponsor of this bill, I, of course, recommended that the board be established or council within the Department of Labor, Mr. Griner, but if the Civil Service Commission could obtain the appropriate personnel and the blue-collar workers received the same attention there as the classified employees have in the past, do you think it would be feasible to establish this within the Civil Service Commission?

Mr. GRINER. Yes, sir; I do. If we followed the lines of this bill giving the employees representation at all levels that we have asked for in this bill and to which we believe we are rightfully entitled, then I certainly believe that it can be administered fairly and equitably by the Civil Service Commission.

Senator BREWSTER. But in your judgment you would still prefer the Department of Labor?

Mr. GRINER. At this time I would, yes, sir.

Senator BREWSTER. Thank you, Mr. Griner.

Mr. GRINER. I want to be sure that we have this representation.

The CHAIRMAN. Thank you, Mr. Griner. Our next committee member the Honorable Caleb Boggs.

Senator Boggs. Thank you, Mr. Chairman. Mr. Griner, I certainly want to joint my colleagues in thanking you and your colleagues for this very convincing and very strong presentation this morning. You certainly have focused, it seems to me, national interest on a problem which we certainly must consider in the national interest. You have touched many points and I am glad you took the time to do it so clearly. But certainly it seems to me that not only the basic pay, but the disparity, the training, the safety involved in this whole business, the overtime work and the hazardous situations, all are in the national interest and we shouldn't be passing this problem by. It is time we have met.

You speak of the national policy board, central board, and you made very clear I thought that that wasn't to make salaries or basic pay necessarily uniform in every area of the United States, but based upon the survey area which would be outlined, is that it?

Mr. GRINER. Senator, the intent of the national policy board, I believe I called it, was to be just what it said, to be a policy board.



The determination of the wage rates for any particular area would be made by the wage rate board within that area.

Senator BOGGS. To fit the conditions in that area.

Mr. GRINER. That is right, sir.

Senator BOGGS. I think that is a very important point. In conclusion, Mr. Chairman—I don't want to take time either—I am going to give this my every consideration and study, and I thank you for bringing such a fine presentation to the committee.

Mr. GRINER. Thank you, Senator.

The CHAIRMAN. Thank you, Senator Boggs. In other words, Mr. Griner, what you want is a larger area in which to compare jobs?

Mr. GRINER. You are absolutely right. Senator, if you will just excuse me for a minute, let's go into the history of this wage board system. It was actually established to meet the needs of the Government to get employees in the navy yard during the Civil War in 1862, a time when 4 or 5 miles was a commuting area. You commuted by horseback or else you commuted by buggy or wagon, so that is why I said we are still in the horse and buggy days.

Since that time the wage board system has spread to other agencies of Government, other than the Navy, until now practically all blue-collar workers who serve as craft workers within the Federal Government are under the wage board system. There are about 620,000 plus some 50,000 or 60,000 that are working in nonappropriated activities and we have not recognized these people as we should have recognized them when we were legislating for the other groups such as the classified and postal, and it has been, let's say, our fault as much as anyone's.

We will take part of that responsibility. But now we hope we can get it corrected. We want to get in the jet age with the wage board employees.

The CHAIRMAN. Thank you very much. Senator Fannin of Arizona.

Senator FANNIN. Thank you, Mr. Chairman. Mr. Griner, I regret that I was not here to hear all of your presentation. I have been very impressed with your explanations and I am very concerned about table 1, but I will not at this time ask any questions.

Mr. GRINER. Thank you, sir.

The CHAIRMAN. Thank you very much, Senator Fannin. We have appreciated very much this presentation. In order to accommodate the other witnesses that will present a different view, I think we had better devote the balance of this session before we have to go into the Senate to them. We will continue these hearings, I assure you, and we will have an opportunity to go into greater detail when we have more time allowed us by the Senate itself.

Your principal objective, is it not, is to get a larger area in which comparable jobs in private industry as well as Government can be evaluated?

Mr. GRINER. That is right, sir.

The CHAIRMAN. To eliminate disparities between rates of pay in various sections because there are no comparable skills required in any numbers in the locality where the installation is placed?

Mr. GRINER. And also some uniform policy, uniform rates within an area. There are several things, but certainly the one that you mentioned is of primary importance.



The CHAIRMAN. And your reason for coming here strongly supporting this legislation is because of the gross neglect of the Civil Service Commission over the years. Despite the proding of this committee and many others to try to do something about it, the answer is no, no, no, on every occasion.

In the existing statute, the law on wage board is contained in one short paragraph—about 100 words. I think it is time for Congress to say more about the 700,000 employees, who constitute one-fourth of all the Federal employees in this land, especially where the executive branch has ignored or failed to act to correct the inequities so apparent throughout many parts of the system.

So we thank you very much, Mr. Griner, and your associates for being here and for the workers themselves coming to Washington to give us individual sentiments that they have regarding this legislation.

Mr. GRINER. Thank you again, Mr. Chairman and members of the committee, for permitting us to appear before you and give you our views on this matter. Thank you very much.

The CHAIRMAN. The committee hearings will continue. I might add, the Honorable Andrew J. Biemiller, director of the Department of Legislation, AFL-CIO, will be our next witness, and his staff. We are happy to have you Mr. Biemiller.

**STATEMENT OF MARKLEY ROBERTS, ASSISTANT TO DIRECTOR, DEPARTMENT OF LEGISLATION; ACCOMPANIED BY B. ADAM GRITTA, METAL TRADES DEPARTMENT; PAUL HUTCHINGS, RESEARCH DIRECTOR, METAL TRADES DEPARTMENT; WILLIAM RYAN, NATIONAL COORDINATOR, GOVERNMENT EMPLOYEES DEPARTMENT, INTERNATIONAL ASSOCIATION OF MACHINISTS; AND GEORGE KNALY, DIRECTOR OF GOVERNMENT OPERATIONS, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO**

Mr. ROBERTS. Mr. Chairman, my name is Markley Roberts. I am assistant director of the Department of Legislation of the AFL-CIO. Mr. Biemiller is unavoidably detained.

I have with me here at the table Mr. B. A. Gritta, president of the Metal Trades Department of the AFL-CIO; Paul Hutchings, research director of the metal trades department; William Ryan, national coordinator of the Government Employees Department of the International Association of Machinists; and George Knaly, director of Government operations for the International Brotherhood of Electrical Workers.

I will read Mr. Biemiller's statement.

**STATEMENT OF ANDREW J. BIEMILLER, DIRECTOR, DEPARTMENT OF LEGISLATION, AFL-CIO**

"Mr. Chairman, my name is Andrew J. Biemiller, director, department of legislation, AFL-CIO.

"S. 1214, introduced by Senator Brewster, would change the present wage board pay system for some 600,000 blue-collar Federal Govern-



ment workers. Many AFL-CIO affiliated unions and their members would be adversely affected by this legislation.

"The AFL-CIO has longstanding and continued convention policy action opposing a central wage board system like that proposed in S. 1214. Therefore, the AFL-CIO opposes this legislation.

"At the first convention of the merged AFL-CIO in 1955 we called for action to 'vigorously oppose establishment of one central wage board and support amendments to the present wage boards looking to the establishment of a system to bring true collective bargaining between agencies of Government and the unions representing its employees.'

"At every convention since 1955 the AFL-CIO has reiterated this position. At our most recent convention in 1965 the AFL-CIO again stated that the labor federation will:

"'Oppose legislation or administrative action authorizing a central board to fix rates of Federal wage board employees. Support the principle of equal pay for equal levels of skill, with true collective bargaining between unions and Federal agencies under the present wage board system and the Kiess Act (44 U.S.C. 40) pertaining to the Government Printing Office.'

"I want to emphasize several points in connection with our 1965 resolution. First of all, you will note that we reiterate our opposition to central wage board rate-setting for Federal blue-collar wage board workers.

"We also 'support the principle of equal pay for equal levels of skill. In this position we are in full accord with the views expressed by President Johnson in his memorandum of November 16, 1965, to Civil Service Commission Chairman Macy and to the heads of executive departments and agencies. In those memorandums, the President expressed his concern about inequitable pay disparities for wage board workers doing similar work within a community. I will comment further on this subsequently in my statement.

"A third point I want to emphasize in our 1965 AFL-CIO policy resolution is our insistence on 'true collective bargaining between unions and Federal agencies under the present wage board system and the Kiess Act.' I think the committee should be fully aware that the AFL-CIO support 'true collective bargaining' in theory and in fact for Federal blue-collar wage board workers.

"We find S. 1214 misguided and deficient with respect to basic AFL-CIO wage board policy endorsed again and again by AFL-CIO conventions.

"Specifically, we find that S. 1214 would establish a 'Federal Departmental Wage Board,' a central wage board. Such a board would weaken and destroy the fundamental prevailing-wage concept of the agencies' wage board systems. It would destroy the system of local area wage board rate setting and it would weaken and destroy meaningful participation by employee labor organizations in the wage-setting process.

"On page 8, paragraph (d), S. 1214 proposes a 'job evaluation plan.' We opposed this proposal which relies on a 'point system' which we do not accept. The AFL-CIO supports the general approach used by the Navy, a concept of industry pay relationships, to align benchmark jobs through the National Average of Differences Index, which relates



occupational pay relationships in the Federal Government with those in private employment.

"We also oppose the proposal on page 10 of S. 1214 for wage surveys to be conducted by the central wage board and by the Bureau of Labor Statistics. We believe the primary responsibility for local wage surveys should rest on the local labor organization representatives and local agency representatives.

"Paragraph (c) on pages 10 and 11 of S. 1214 indicates that wage survey teams may be divided into groups and that each group leader shall be an employee of the central wage board. We reject this feature of the central wage board proposal, just as we reject the general reliance on a central wage board as set forth in S. 1214.

"For example, on page 12, paragraph (e) S. 1214 proposes:

"At the completion of a wage survey in any wage board district, the wage data shall be assembled and reviewed for accuracy and then forwarded to the office of the wage board in the District of Columbia where suitable analysis shall be made to determine adjustments which may be required in existing wage rate schedules.

"The prevailing-wage concept aims at matching Federal blue-collar wage rates with private industry wage rates in a local area. This proposal in S. 1214 strengthens the central wage board concept and weakens the local prevailing-wage concept on which the wage board pay systems are based.

"Other proposals in S. 1214 would weaken, undermine, and destroy the prevailing-wage concept in wage rate setting, specifically the proposals for 10 step rates within each grade, and the proposal for longevity pay increases. In addition, the proposal for central wage board determination of night shift differentials destroys the concept of prevailing locality practices. The same is true for central wage board setting of hazardous-duty premiums. Such premiums rightfully belong in the collective-bargaining area.

"All of these proposals I have mentioned undermine and destroy the basic local prevailing-wage principle. We oppose them. We believe these proposals would fragment and destroy the relationship between Federal blue-collar compensation and private industry compensation in the same local area.

"Mr. Chairman, I have outlined briefly some of the substantive reasons for our opposition to S. 1214. We consider S. 1214 a bad bill. I turn now to another reason for AFL-CIO opposition.

"It was in November 16, 1965, that President Johnson sent his memorandum to Civil Service Commission Chairman Macy about the wage board system. In January 1966, President Meany appointed a committee to work with the Commission.

"This committee—which is still in existence and still working with the Commission—includes John Griner, president of the American Federation of Government Employees; B. A. Gritta, president of the Metal Trades Department of the AFL-CIO; William Ryan, national coordinator of the Government Employees Department of the International Association of Machinists; John McCart, operations director of the Government Employees Council; George Knaly, director of Government operations for the International Brotherhood of Electrical Workers; and Anthony Weinlein, of the Building Services Em-



ployees International Union, and myself, Andrew J. Biemiller, as chairman of the committee.

"As the result of hard, intensive work by this committee, we developed a carefully detailed statement of our AFL-CIO position on coordination of the wage board system. This position paper, delivered to the Civil Service Commission on March 18, 1966, had the unanimous support of the AFL-CIO Committee on Wage Board Policy. I wish to emphasize this point again: our AFL-CIO position paper delivered to the Civil Service Commission and a matter of public record, had the unanimous support of the members of the AFL-CIO wage board committee.

"Mr. Chairman, I respectfully request that this statement to which I have referred, 'AFL-CIO Statement on the Coordination of Wage Determination Practices and Procedures of Executive Branch Departments and Agencies, March 18, 1966,' be included in the record at the conclusion of my remarks. I also request that our 1967 statement, 'AFL-CIO Statement on Wage Board Conduct of Locality Wage Surveys, March 21, 1967,' be included in the record. These two documents set forth the AFL-CIO position on wage board rate-setting procedures, as presented to the Civil Service Commission.

"In our 1966 statement we note President Johnson's concern about inequities in a local community where Federal blue-collar workers on trades and labor jobs may get different wage rates for similar work. We went on to say:

"The AFL-CIO and its affiliated union organizations particularly concerned with Federal blue-collar workers share the concern expressed by the President. We believe that the principle of equal pay for equal work in a locality is sound, fair, and equitable and that within each locality Federal wage distinctions should be maintained in keeping with work distinctions.

"Furthermore, we believe that full participation by the employees' labor organizations is an essential key to the development of mutually beneficial changes in the present wage determination systems. Similarly we believe that continuing full union participation at all steps and levels is essential to successful operation of any coordinated interagency system of survey, classification, and wage determination designed to assure equal pay for similar work within a locality and at the same time to keep Federal rates in step with prevailing rates in the various communities.

"Executive Order 10988 is premised upon the fact that participation of Federal employees in both the formulation and implementation of the personnel policies affecting them contributes to effective conduct of public business and that employees should therefore be provided with an opportunity for greater participation in the formulation and implementation of the policies and procedures affecting the conditions of their employment. Wage determinations and the procedures through which they are arrived at are at the top of the list of the vital areas where opportunity for greater participation by the employees through their labor organizations is keenly needed.

"We believe that any coordination of the wage determination systems should provide for the greatest possible participation of the workers, through their recognized labor organizations and should ap-



proach collective-bargaining practices in private industry as closely as possible.

"Therefore, following the letter and spirit of Executive Order 10988, including specifically its preamble clauses and its section 15, we believe that any changes in the present methods and procedures for wage determination should clearly establish and promote the basic principles of union participation and collective bargaining at all steps and levels of the job classification, wage-survey, and wage-setting processes."

"The statement goes on to reiterate AFL-CIO opposition to legislative or administrative action to establish a central wage board.

"Mr. Chairman, I have presented this extended quotation from our 1966 AFL-CIO statement because I think it conveys the spirit in which we approach S. 1214, the bill now pending before this committee.

"We are committed to full participation by labor organizations in the locality wage rate-setting system. We do not find opportunity for this kind of participation in S. 1214."

I might add at this moment, Mr. Chairman, that John Griner addressed himself to legislation which was not available to us until this morning. I note that he has adopted in his mimeographed proposal some of the suggestions that have been made by our committee, but I think it should also be noted he has not incorporated all the proposals that we have made in our AFL-CIO statement.

"As you may know, Mr. Chairman, our AFL-CIO Committee on Wage Board Procedures is continuing to work with the Civil Service Commission in an effort to work out mutually acceptable procedures to eliminate pay inequities in a locality. Our committee met very recently with Chairman Macy and his members of the Commission staff and we are meeting again with Chairman Macy in the near future and we are hoping for further progress toward the principles and the procedures supported by the AFL-CIO to eliminate local pay inequities in the wage board system.

"I hope our AFL-CIO committee—which represents a very large percentage of all Federal blue-collar workers—will have full opportunity to seek and to achieve understanding and agreement with the Civil Service Commission on needed changes in the present wage board systems.

"These systems are most complex and it is vitally important that such changes as are made do not destroy longstanding, reasonable, and equitable practices and do not destroy opportunities for full union participation.

"It may well be, Mr. Chairman, that a time will come when the AFL-CIO may turn to Congress for improvements in the wage determination process, but we are now following another route, namely, administrative action, and we hope that we will have an opportunity to achieve our goals through this procedure.

"Mr. Chairman, I appreciate this opportunity to present the views of the AFL-CIO. Thank you."

I thank you and I respectfully request that Mr. Gritta have an opportunity to present a statement at this moment.

The CHAIRMAN. We will be glad to hear from him. State your name and title for the benefit of the committee and the record, please, sir.



Senator RANDOLPH. Mr. Chairman, may I have the opportunity—

The CHAIRMAN. Yes; I would like to introduce one of the most distinguished members of this Post Office and Civil Service Committee who was delayed at another meeting and has come in, Senator Jennings Randolph, distinguished Senator from West Virginia.

Senator RANDOLPH. Mr. Chairman, I am very grateful for your giving me the opportunity to clarify one point. I do not want to break the continuity of the presentation of the AFL-CIO, but only for the purpose of clarification.

I regret also that I was unable, as the chairman knows, because of another commitment, to be present for the testimony of John F. Griner. I note on page 6, if you will return to the statement, on behalf of the AFL-CIO you use this language—"which represents a very large percentage of all Federal blue-collar workers."

Now, I note that President Griner in expressing approval of Senate 1214, Mr. Chairman, indicated that within his membership there were approximately 190,000 or 195,000 persons who were wage board employees who are members of the American Federation of Government Employees, so for purposes of clarification when you indicate that the AFL represents a very large percentage of all Federal blue-collar workers and we have this statement of Mr. Griner, I seek clarification.

Mr. ROBERTS. Senator, I think there is a need for clarification and with your permission I would like to submit for the record a recent study which was done by our department of education at the AFL-CIO which gives a thorough breakdown on both the unions and where they have membership. I think it would be helpful to the committee in its deliberations. I don't have that information at my fingertips. I don't have it here with me, but I will be happy to submit it for the record.

Senator RANDOLPH. Mr. Chairman, I am grateful you allowed me to interrupt at this point because as you read these two statements, they are at variance, or seem to be, and I think our committee would very well consider not just numbers, but give weight to presentation which comes representing a large segment of the Federal employment groups.

Mr. ROBERTS. Thank you, Senator. I think your point is well taken and we will be happy to submit that material.

The CHAIRMAN. Thank you very much, Senator Randolph. You may proceed with your other witnesses. May I ask you to be as rapid as you can. How many witnesses do you have?

Mr. ROBERTS. Only Mr. Gritta.

The CHAIRMAN. We must adjourn by 11 o'clock.

#### STATEMENT OF B. A. GRITTA, PRESIDENT, METAL TRADES DEPARTMENT, AFL-CIO

Mr. GRITTA. Mr. Chairman, it will be possible and will take me about 5 minutes.

Mr. Chairman and members of the committee, my name is B. A. Gritta and I am president of the Metal Trades Department, AFL-CIO, with offices located in the AFL-CIO building at 815 16th Street NW., Washington, D.C.



Our department is composed of 22 national and international unions. Practically all of our organizations have membership employed at their trades in the various activities of the Federal Government.

Our department charters local metal trades councils through which the members of our affiliated organizations cooperate and coordinate their activities and their collective bargaining for the wage board employees at Federal installations of the Navy, Army, NASA, Commerce Department, Coast Guard, HEW, and other Federal departments and agencies.

Our department, through its councils and affiliated international unions, represents over 100,000 Federal employees.

We therefore, have a very deep and vital interest in any proposed changes in the methods of wage determination of such employees.

On behalf of the Metal Trades Department and all its affiliated national and international unions I want to go on record at this time as fully concurring in the position of the AFL-CIO as just expressed to this committee by this director of legislation, Andrew J. Biemiller.

This reflects the convention action of both the Metal Trades Department and the AFL-CIO. In accordance with the statement made by Mr. Biemiller we join in urging that this committee reject the principle of a central wage board as set forth in S. 1214. This bill is contrary to the unanimous position of the AFL-CIO committee as set forth in its written statements of March 18, 1966, and March 21, 1967, to the Civil Service Commission and appended to Mr. Biemiller's statement to this committee.

In the statement of 1967 we prepared a detailed procedure which should be used in wage survey fixing practices and this was agreed to 100 percent by our committee and representative of all of the unions that have been here this morning.

Thank you very much for giving me this opportunity to express this concurrent position of our department and its affiliated organizations.

The CHAIRMAN. Thank you very much for your appearance and testimony here. I would like to ask, Mr. Roberts, if you are satisfied that the Civil Service Commission and other members of the President's Board are moving rapidly enough on this very vital question affecting so many hundreds of thousands of Federal employees?

Mr. ROBERTS. Mr. Chairman, a short answer to that question is no, we are not satisfied and we hope that they will move faster.

The CHAIRMAN. This committee has been very patient. We have talked repeatedly to the Civil Service Commission and to others in the administration to get something done to correct the situation which we consider to be intolerable. This is the reason we have scheduled action on this legislation and, as you know, the bill has been changed since your prepared statement that you have written on the national wage board.

What it now encompasses, I feel, is a national board to determine the areas that will be considered as larger units for comparability of pay, which I think is essential.

I am afraid some national planning will have to go into approval of the units to prevent overlapping of different regions for various different administrative agencies of government. I believe we will have to have a national determination there, but with the authority on the wage determination, which is the crux of this thing, being left to your



local wage boards. That would be a major correction of a deficiency which you now criticize, is that correct?

Mr. ROBERTS. Yes, Mr. Chairman. I would like to say that our committee has sensed new urgency on the part of the Civil Service Commission and we find that there is in the last few weeks a new sense of urgency and a new willingness to explore our approaches and our proposals.

I don't say that we have reached a meeting of minds, but I would say that the Civil Service Commission has been indicating a more receptive and a more cooperative attitude in the recent past in regard to our proposals and our approach.

The CHAIRMAN. It is time to get going and time to do something about this. This committee unanimously feels it has not been given the proper expedition it needs. Senator Yarborough, do you have any questions?

Senator YARBOROUGH. I have no questions. I believe you are going to furnish detailed members union by union, but in gross, Mr. Roberts, do you know how many of these blue-collar workers or what percentage of them are represented by different affiliated unions, affiliated with the AFL-CIO?

Mr. ROBERTS. I would hesitate to give you that off the top of my head. I would rather give it to you clearly.

Senator YARBOROUGH. I will defer questions in view of the lateness of the hour. Just 5 minutes and we have to go to the floor.

The CHAIRMAN. Senator Randolph.

Senator RANDOLPH. I have no questions. Thank you.

The CHAIRMAN. Thank you for your attendance and thank you for your interest. We do regret the time has been so pressing on both Mr. Biemiller and on members of this committee to have to do this. We were anxious to hear the visitors who were from out of town testify. We were anxious to have also Mr. Biemiller's testimony at this time and on the same day, and the committee will consider very seriously this program and what necessary legislation will be required.

Mr. ROBERTS. Mr. Chairman, with your permission may these two statements, the March 18, 1966, statement and the March 21, 1967, statement, be included in the record?

The CHAIRMAN. That is fine. They will be included in the record. (The statements referred to follow:)

**AFL-CIO STATEMENT ON THE COORDINATION OF WAGE DETERMINATION PRACTICES AND PROCEDURES OF EXECUTIVE BRANCH DEPARTMENTS AND AGENCIES, MARCH 18, 1966**

President Johnson has expressed his concern about differences in systems and practices used by executive departments and agencies to set the pay for federal blue-collar employees and about the extent to which resulting wage rates for the same trades and labor jobs in the same locality differ for similar work within a community. (Memorandums dated Nov. 16, 1965, to heads of executive departments and agencies, and to the Civil Service Commission Chairman.) By "federal blue-collar employees and about the extent to which resulting wage rates for the set by Congress and are set on the basis of prevailing locality wage rates.

The AFL-CIO and its affiliated union organizations particularly concerned with federal blue-collar workers share the concern expressed by the President. We believe that the principle of equal pay for equal work in a locality is sound, fair and equitable and that within each locality federal wage distinctions should be maintained in keeping with work distinctions.



Furthermore, we believe that full participation by the employees' labor organizations is an essential key to the development of mutually beneficial changes in the present wage determination systems. Similarly, we believe that continuing full union participation at all steps and levels is essential to successful operation of any coordinated interagency system of survey, classification and wage determination designed to assure equal pay for similar work within a locality and at the same time to keep federal rates in step with prevailing rates in the various communities.

Executive Order 10988 is premised upon the fact that participation of federal employees in both the formulation and implementation of the personnel policies affecting them contributes to effective conduct of public business and that employees should therefore be provided with an opportunity for *greater* participation in the formulation and implementation of the policies and procedures affecting the conditions of their employment. Wage determinations and the procedures through which they are arrived at are at the top of the list of the vital areas where opportunity for greater participation by the employees through their labor organizations is keenly needed.

We believe that any coordination of the wage determination systems should provide for the greatest possible participation of the workers, through their recognized labor organizations and should approach collective bargaining practices in private industry as closely as possible. Therefore, following the letter and spirit of Executive Order 10988, including specifically its preamble clauses and its Section 15, we believe that any changes in the present methods and procedures for wage determination should clearly establish and promote the basic principles of union participation and collective bargaining at all steps and levels of the job classification, wage-survey, and wage-setting processes.

The last AFL-CIO convention on December 13, 1965 unanimously declared its support for the principle of equal pay for equal levels of skill and called for "true collective bargaining" between unions and federal agencies under the present wage determination systems. The AFL-CIO position is that participation in job classification, wage surveys, and wage determinations should properly fall within the scope of the bargaining rights of the labor organizations which federal workers designate as their collective bargaining representatives.

Furthermore, we want the record to show that the AFL-CIO again and again has declared its opposition to legislative or administrative action to establish a central wage board to fix rates of federal ungraded employees.

It is a hard, time-consuming job to reconcile existing, differing wage determination systems, practices, and procedures so as to achieve equal pay for similar work within a locality. Therefore, we insist that a project of this size and importance should *not* be pushed and rushed through to a hasty, unsatisfactory conclusion simply to meet arbitrary deadlines.

The AFL-CIO and the union organizations particularly concerned with the workers employed under the various present wage determination systems prevailing in the executive branch departments and agencies have given and will continue to give their devoted attention and efforts to working out reasonable and fair changes, improvements and a coordination of such present wage determination systems so as to achieve the purpose specified by the President. However, we vigorously reject any proposition that fundamental and far reaching changes in the existing systems must be made simply to accomplish a change before an arbitrary deadline.

Any development of a coordination of the varied systems presently in use must be carefully planned, checked, tested and validated not only to assure that it will operate to meet the objective specified by the President but also to insure that this is not achieved at the expense of any federal blue-collar workers.

It would be relatively simple to work out a coordinated wage determination system within Department of Defense agencies and establishments, where about 80% of the federal blue-collar workers are employed. The main problem area lies with the majority of executive branch agencies—outside of the Defense Department—who collectively employ a relatively small number of federal blue-collar workers.

We turn now to comment on the Civil Service Commission's Feb. 10, 1966 "Summary of Agencies' Views on the Principal Wage Issues." Although we will discuss these issues in the order in which they are presented in the summary, we want to make it very clear that we consider the last item, "The Role of the Employee Organization in the Operation of the Prevailing Rate-Fixing Program," to be the



most important to the long-run success of any changes in the present wage board system.

#### *Grade Structure*

We believe that there should be a single regular schedule for crafts, trades and labor occupations and that there should be a separate service schedule for custodial, food service, and laundry workers.

We insist that no presently employed workers should be adversely affected—either by downgrading or by reduction of pay. Therefore, in the regular schedule there would probably have to be about 15 grade levels as called for in the "Summary of Agencies' Views."

We recommend that the pay schedule for laundry, food service, and custodial workers should be set according to present practices and procedures used by the Navy in computing and determining pay schedules for workers in these classifications. The Navy system, although not perfect, includes employee organization participation in its basic approach. This is the kind of approach we support.

#### *Bench Mark Jobs*

We support use of the Navy's industry pay relationship concept to align bench mark jobs through the National Average of Differences Index which establishes occupational pay relationships in private employment. However, we believe NADI procedures and techniques contain a number of serious weaknesses and should be improved. We will present our suggestions for improvements in future discussions.

#### *Job Ranking*

When upgraded jobs in federal agencies do *not* have comparable equivalents in the private industries surveyed, the rating or the ranking of such jobs should be worked out at national level by mutual agreement between representatives of the labor organizations involved and representatives of the federal agencies involved, using uniform procedures and practices.

If mutual agreement is not reached by these representatives, the issue or issues involved shall be reviewed by the "national agency review committees" following uniform practices and procedures as specified in the "manual" discussed below.

#### *Supervisory Pay*

We believe that the lowest level of supervisory employees excluded from exclusive bargaining units should get pay differentials amounting to at least 25 percent more than the highest pay level supervised, with the minimum cents-per-hour differential being 25 percent of the Navy's journeyman grade 11. We want to emphasize that this 25 percent differential is for the lowest level of supervision excluded from exclusive bargaining units and that higher levels of supervision should get proportionately higher percentages above such rate. This would follow the present practice of the Navy.

#### *Use of Separate Pay Schedules and Wage Surveys*

We have called for a single regular pay schedule to apply to all nonsupervisory crafts, trades, and labor occupations in a locality, the pay rates to be based on industry wage surveys as specified in the following section, "Industry Coverage of Wage Surveys."

We have also called for a separate service schedule for custodial, food service, and laundry workers, the pay rates to be derived following present Navy practices and procedures. Our proposal for a separate service schedule is tied to our recommendation that the pay schedule for these workers be set according to present practices and procedures used by the Navy in computing and determining pay schedules for workers in these classifications.

We also recognize that there are special trades, crafts and occupations such as the printing trades, lithography, construction, power plant operation, longshoremen and maritime occupations in which law or industry and past agency practice has created a special situation calling for separate schedules.

Therefore, following the letter and spirit of Executive Order 10988, we believe that such special schedules should be retained, and should *not* be eliminated, except *only* in those instances where by mutual consent of the agency(s) and the labor organizations involved, and where a satisfactory adjustment into the regular schedule can be achieved without either impairing the agency(s) ability



to recruit and retain such workers on a stable employment basis and without subjecting any of the workers involved to a reduction in rates or pay practices.

#### *Industry Coverage of Wage Surveys*

In regard to industry coverage of regular wage surveys, we believe the practice now followed by the Navy Department is basically sound. As stated in the "Summary of Agencies' Views," Defense wage surveys now cover *only* the manufacturing, transportation, and utilities industries. We note that utilities are covered only in part. We believe this coverage should be extended to include full utility industries coverage and also construction and job shop pay rates because these pay rates are a very important part of any locality's wage structure and have an impact on the ability of federal activities in the locality to recruit and retain skilled craftsmen.

We strongly *reject* the view that rates for the single regular pay schedule and/or the separate service schedule should be based on "the broadest practicable industry coverage," as proposed in the "Summary of Agencies' Views." The AFL-CIO affiliated labor organizations with experience in wage board pay-fixing for service occupations have learned through sad, unfortunate experience that inclusion of pay data from such irrelevant low-wage non-industrial-type occupations as wholesale, retail, hotel, restaurants and laundries serving the public, and office management firms fails to give a true representation of comparable local wage rates and serves only to lower a locality's average pay rates. They generally do not reflect rates arrived at through effective employee participation, that is, collective bargaining.

One further point we consider very important. We believe and insist that the highest federal minimum wage for workers currently covered under the Fair Labor Standards Act should be the absolute minimum, below which no rate for any federal employee should be set. When this FLSA top minimum is raised, the minimum wage for federal blue-collar workers should be raised at the same time by the same amount.

This principle should also apply to all non-appropriated fund employees at any and all federal activities regardless of their occupation. It is morally wrong and indefensible for the federal government to pay directly or to allow or to agree to the payment of poverty wages at any of its installations. The Service Contract Act of 1965 specifies that all workers employed on government service contracts in excess of \$2500 must be paid not less than the prevailing rates and fringe benefits for such workers in the locality, but in no case less than the federal minimum wage. We believe this is a sound principle that clearly should apply to all blue-collar employees as well as to those workers on government service contracts and also should apply to all non-appropriated fund employees employed on federal installations.

#### *Step Rates*

We support a within-grade step system. This position is in line with the agencies' view, reported in the "Summary," that the agencies "overwhelmingly support continued use of a multi-rate system."

We believe that there should be three steps in each grade, two steps being automatic, within-grade steps, separated by a minimum uniform differential of at least 4 percent after 6 months in step one and at least another 4 percent after 12 months in step two.

To those who point out that under the three-step system most wage board employees are at the third step, we state that federal wage board pay rates in a locality are much slower to change than are private industry pay rates for comparable work. Therefore, there is inevitably a lag of federal wage board pay rates *behind* the rates for similar work in private industry. The third step differential is a vitally important part of maintaining equity and comparability between wage board pay rates and private industry pay rates in a locality.

Furthermore, we note that blue-collar federal workers do *not* get the benefit of longevity increases as classified federal workers do.

#### *Presently Negotiated Agreements*

In line with our strong support for union participation and collective bargaining in the wage setting process for blue-collar federal workers approximating as closely as possible the collective bargaining rights enjoyed by workers in private industry, and in line with the letter and spirit of Executive Order 10988, par-



ticularly its preamble clauses and Section 15, we believe that all presently negotiated agreements should be retained and continued.

We call specifically for retention and continuation of the wage-setting negotiation practices now in effect at such federal activities as the Tennessee Valley Authority, the Bonneville Power Administration, the Southwestern Power Administration, the Pacific Northwest Power Rate Schedule, the South Atlantic Power Rate Schedule, Department of Interior Bureau of Reclamation projects and other Interior Department projects, the Canal Zone and the Panama Company, the Alaska Railroad, and where the Army Corps of Engineers has established rates based upon private utility company rates. The present negotiated pay practices for these federal activities should be continued as presently arrived at and as specified and promoted under Section 15 of Executive Order 10988.

Although the Government Printing Office is not an Executive Branch agency, we also call for retention and continuation of union participation and collective bargaining practices for the employees of the GPO under the Kiess Act (44 U.S.C. 40).

*The Role of the Employee Organization In the Operation of the Prevailing Rate-Fixing Program*

We repeat points we have made before:

Continuing full participation by labor union organizations at all steps and at all levels is essential to successful operation of any coordinated interagency system of job classification, wage surveys, and wage determinations designed to assure equal pay for similar work within a locality, and, at the same time, to keep federal blue-collar pay rates in step with prevailing rates in the localities.

Any coordination of the wage determination systems should provide for the greatest possible participation of workers through their recognized labor organizations and should approach collective bargaining in private industry as closely as possible. In line with these views, we present below our position on the operation of wage determination practices and procedures at the local and national levels.

*Basic Locality Operation of the Wage Determination System*

The interagency wage coordination program will work most successfully if union representatives in a locality and representatives of federal agencies in the locality work out their mutual problems with a maximum degree of responsibility under mutually agreed to procedures and policies. The parties at the local level who have the greatest interest in the wage determination process are the parties who must carry the major responsibility for making the wage determination process a successful one.

Therefore, we recommend that local wage determination committees have equal representation of the leading labor organizations and the leading federal agencies in the locality.

We recommend that each local committee have three labor organization representatives and three representatives of the leading federal agency or agencies in the locality. Such union representatives would serve on nomination from the labor organizations with the largest number of federally employed blue-collar numbers in the locality. Agency representatives would serve on nomination from the federal agencies with the largest number of blue-collar employees in the locality.

Union representatives at the local level must have the right to participate or to name individuals to participate equally in wage data collection by joint data collection teams, to serve as observers, and to serve on all subordinate committees that may be established. They must have the right to challenge, to add, or to delete from local wage data surveys any jobs, classifications, plants, firms, or industries, and to modify the survey area in any way necessary to find comparable jobs, subject to approval by the full wage committee at the local level.

The primary responsibility for local wage surveys rests on the labor organization representatives and agency representatives. We reject the suggestion that wage data collection and wage surveys should be turned over to the Bureau of Labor Statistics. We realize that BLS can serve a useful advisory, technical role, but there is too much at stake for the workers involved and for the federal agencies and the labor organizations representing their employees to allow



basic wage data in a locality to be selected and determined by a third party which is not directly involved in the local federal activities or installations. The BLS should perform only such functions as delegated and prescribed for it by the local wage committee.

We believe "locality," as we have used the term, should be understood to mean that area surrounding federal installations within which the predominate number of employees reside, and within which employees may change employers without changing their residences. This is basically the approach of the Department of Defense to defining "labor market area."

We recognize that there are now hundreds of localities to be surveyed and we believe that it may be reasonable—after further study, discussion, and agreement between the AFL-CIO committee on wage-setting and the Civil Service Commission—to reduce the number of localities surveyed. We reserve the right to submit further proposals on this subject.

We repeat: the interagency wage coordination program will work most successfully if labor organization representatives in the locality and representatives of federal agencies in the locality work out their mutual problems with a maximum degree of local responsibility, following procedures and policies mutually arrived at by labor organization representatives and federal agency representatives at the national level.

#### *National Agency Review Committees*

The AFL-CIO and its affiliated labor organizations particularly concerned with the wage setting systems call for a review and appeal procedure to allow for review and appeals from decisions of the local wage committees.

We believe appeals from the local wage committees should go to "national agency review committees."

These national agency review committees would contain equal representation of the leading federal agency involved in an appealed dispute and of the leading labor organization involved in the appealed dispute. We recommend that these national agency wage review and appeal committees be composed of three agency representatives and three representatives of the leading labor organizations and should include an impartial public individual to be added to the committee by mutual agreement between labor and agency representatives. This public member shall vote only to break a tie.

These national agency review committees would make final recommendations to the appropriate agency head or department head involved on all wage determination matters submitted to the committees for review or on appeal.

The recommendations of these national agency review committees would be subject to adoption by the appropriate agencies or department head employing ungraded workers in the locality involved. Failure by a department or agency head to adopt the recommendation should be subject to the specific approval of the President.

We believe these national wage review and appeal committees, operating as we propose, would provide maximum opportunity for labor organization participation in the wage-setting process, and would, at the same time, insure accomplishment of the objective of equal pay for equal work in a locality.

#### *Manual for Wage Determination*

A manual should be prepared to prescribe uniform policies, practices, procedures, and job standards to be followed by all agencies, wage committees, and national agency review committees. It is essential that the appropriate labor organizations—which are represented in the AFL-CIO committee on wage-setting—participate fully and jointly with the federal agencies involved in preparation of this manual.

#### *Administrative Support*

Administrative support—meaning assistance to local wage committees and national agency review committees in office housekeeping and dissemination of information on rules of procedure and practice—should be provided by the U.S. Department of Labor.



AFL-CIO STATEMENT ON WAGE BOARD CONDUCT OF LOCALITY WAGE SURVEYS,  
MARCH 21, 1967

The AFL-CIO proposes a system for the conduct of locality wage surveys, the system to include (1) a national wage policy committee, (2) agency wage committees, and (3) locality wage committees (See Appendix B.) This proposal hereby incorporates by reference the general approach set forth in a previous document, "AFL-CIO Statement on the Coordination of Wage Determination Practices and Procedures of Executive Branch Departments and Agencies, March 18, 1966."

## NATIONAL WAGE POLICY COMMITTEE

A National Wage Policy Committee shall be established, consisting of three members. One member shall be designated by the Chairman of the Civil Service Commission and shall serve as a member of the Committee at the discretion of the Chairman of the Civil Service Commission. One member shall be designated by the AFL-CIO and will serve as a member of the Committee at the discretion of the AFL-CIO. One member shall be designated by mutual agreement between the Civil Service Commission Chairman's designee and the AFL-CIO designee; he shall serve on the committee as chairman of the committee as long as there is mutual agreement between the Civil Service Commission designee and the AFL-CIO designee as to his continued service.

A majority vote of the National Wage Policy Committee shall constitute a decision of the Committee.

The salary of the chairman of the National Wage Policy Committee shall be established by the Civil Service Commission and shall be paid out of appropriated funds of the Commission. The salary of the AFL-CIO designee shall be established and paid by the AFL-CIO.

Office space and necessary secretarial and technical assistance will be supplied to the National Wage Policy Committee by the Civil Service Commission.

## DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

1. The National Wage Policy Committee shall develop a "U.S. Government Manual of Wage Fixing Policies and Procedures for Wage Board Employees," hereafter referred to as the "Manual." This Manual shall set forth the basic wage fixing policies and procedures for all types of wage schedules under the system, except for those wage schedules listed in Appendix A attached to this document which shall be excluded from the requirements of the Manual. The Manual shall govern agency wage committees and locality wage committees (as subsequently described in this document) in their deliberations and actions in surveying for locality wage data and in establishing wage schedules for wage board employees.

2. The National Wage Policy Committee shall devise and issue standard data collection forms and job descriptions for determining comparability of job matches.

3. The National Wage Policy Committee shall make final judgment and decisions on appeals and recommendations submitted orally or in writing to the committee by employee labor organizations and by federal agencies, in line with procedures set forth in the Manual.

4. The National Wage Policy Committee shall designate the lead federal agency in each local area to conduct locality wage surveys. The lead agency shall normally be the agency having the largest number of wage board employees in a local wage area. The National Wage Policy Committee shall designate the geographic boundaries of the area in which data shall be collected and shall designate the lead federal agency in each local area to conduct such surveys. Such areas shall include at least one standard metropolitan statistical area.

5. The National Wage Policy Committee shall make exceptions to the policies and procedures set forth in the Manual when such exceptions shall be in the public interest.



## GENERAL CONTENT OF THE U.S. GOVERNMENT MANUAL

1. The Manual shall contain such policies and procedures as will insure interagency equity in wage rates based upon statistically valid wage surveys, with due regard and consideration for the public interest and for the efficient conduct of public business falling within the responsibility of each agency covered by the wage system.

2. The Manual shall establish an appeals procedure.

3. The Manual shall establish geographic boundaries for local wage survey areas.

2. The Manual shall contain criteria for determining—

- (a) Discriminatory rates;
- (b) Atypical rate structures;
- (c) Exclusions and inclusions of specific industries or occupations;
- (d) List of standard occupations to be surveyed in each area;
- (e) Responsibility of locality wage committees and data collectors and agency wage committees;
- (f) Standards for training of data collectors;
- (g) Participation of employee labor organizations in wage surveys;
- (h) Unjustified influence of a single employer dominating the wages in a specific area, and a method of adjusting such influences;
- (i) A statistically sound and fair method and formula of computing raw usable wage data into a wage line.

## AGENCY WAGE COMMITTEES

Each federal agency qualifying as a lead agency to conduct locality wage surveys shall establish an Agency Wage Committee consisting of five members. Two members shall be designated by the head of the lead agency or lead department. Two members shall be designated by the head of the labor organization having the largest number of wage board employees covered by exclusive recognition in the lead agency. These four members of the Agency Wage Committee shall serve at the discretion of their respective designating authorities. The fifth member of the Agency Wage Committee, who shall act as Chairman, shall be mutually selected by the lead agency and the qualifying labor organization and shall serve as long as mutually agreeable to the lead agency and the qualifying labor organization.

The agency designees' salary shall be established and paid by the lead agency. The salary of the designees of the appropriate labor organization shall be established and paid by the qualifying labor organization. The salary of the Chairman shall be established and paid by the lead agency.

## DUTIES AND RESPONSIBILITIES OF AGENCY WAGE COMMITTEES

1. The appropriate Agency Wage Committee shall establish the boundaries of each locality wage survey area consistent with the criteria established in the Manual.

2. The appropriate Agency Wage Committee shall designate the establishments to be contacted in the locality wage area for wage data.

3. The appropriate Agency Wage Committee shall augment the list of occupations to be surveyed from time to time as necessary.

4. The appropriate Agency Wage Committee shall construct wage lines from acceptable raw data received from the locality wage committee (described subsequently) consistent with the criteria set forth in the Manual.

5. The Agency Wage Committee shall recommend to the head of all agencies or departments a new wage schedule and/or schedules for approval and enforcement. Such schedules shall be placed in effect for all federal wage board employees included under the schedule on the date specified by the appointed wage committee within the time limits specified by law.

6. The lead agency shall furnish the Agency Wage Committee with the necessary office space, meeting and conference rooms, secretarial and technical assistance, and security filing accommodations for the records of the Agency Wage Committee.

7. The Agency Wage Committee's records shall be available, upon request, to the National Wage Policy Committee.



8. If the lead agency shall be disqualified as such by reason of a change in employment in a locality wage area, the records of the old Agency Wage Committee shall be turned over to the newly designated Agency Wage Committee.

9. A majority vote of the Agency Wage Committee shall constitute a decision of the Committee, but a member in the minority shall have an opportunity to file a report with the majority decision.

#### LOCALITY WAGE COMMITTEES

In each locality wage survey area there shall be a Locality Wage Committee which shall consist of three members. One member shall be designated by the lead agency in the locality wage area. One member shall be designated by the employee labor organization having the largest number of wage board employees under exclusive recognition in the lead agency in the locality wage area. These two members shall be designated for each wage survey in the area. The third member of the Locality Wage Committee, who shall act as chairman of the committee, shall be designated by mutual agreement by the other two members of the committee.

A majority vote of a Locality Wage Committee shall constitute a decision of the committee, but a member in the minority shall have an opportunity to file a report with the majority decision.

If the designee of the employee labor organization is a federal employee, he shall continue to receive from his federal agency employer his regular pay at the rate he receives for his regular full-time government position. If the designee of the employee labor organization is not a federal employee, he shall be paid by the designating employee labor organization. If the chairman of the Locality Wage Committee is not otherwise employed by the federal government, he shall be compensated by the lead agency on a consultant fee basis while actually employed.

#### FUNCTIONS AND RESPONSIBILITIES OF THE LOCALITY WAGE COMMITTEE

1. Each Locality Wage Committee shall determine the number of data collectors needed for a locality wage survey, shall appoint such data collectors, as provided in the manual, and shall provide for the necessary training and supervision of data collectors.

2. Each Locality Wage Committee shall conduct hearings for employee labor organizations and other interested parties desiring to submit information or recommendations to the Committee.

3. Each Locality Wage Committee shall decide differences between data collectors in reference to the comparability of job matches, discriminatory rates, or differences in interpretation and application of the policies and procedures set forth in the Manual.

4. Each Locality Wage Committee shall make preliminary contacts and arrangements with employers to be surveyed.

5. Each Locality Wage Committee shall insure the confidentiality of data collected and shall recommend disciplinary action for violations of confidence of data secured from private employers.

6. Each Locality Wage Committee shall forward acceptable raw wage data to the appropriate Agency Wage Committee for review and/or adjustment and final approval.

7. Each Locality Wage Committee shall also forward to the appropriate Agency Wage Committee a narrative report of the activities and decisions of the Locality Wage Committee in respect to submissions presented to the Committee by employee labor organizations and other interested parties, and such narrative report shall contain the reasoning upon which the Committee bases its decisions.

#### TIMING AND FREQUENCY OF LOCALITY SURVEYS

1. Full-scale locality wage surveys shall be made every second year, on an anniversary date, with intermittent wage change surveys in alternating years.

2. Wage change surveys may be conducted by phone or mail or personal contact by Locality Wage Committees; but such wage change surveys shall use only the same employers, occupations, and weights of occupations used in computing the wage line of the preceding full-scale locality wage survey.



## DATA COLLECTORS

1. After a Locality Wage Committee has determined how many data collectors will be needed, one-half of such data collectors shall be designated by the qualifying labor organizations and one-half of such data collectors shall be designated by the Locality Wage Committee from government activities in the locality wage area which employ wage board employees.

2. A data collector designated by the qualifying employee labor organization shall accompany each agency data collector to each employer from which data is collected to be used or considered in the construction of locality wage lines. The data collectors designated by the qualifying labor organization shall have the right of appeal to the Locality Wage Committee on differences in judgment on the comparability matching of jobs surveyed.

## DATA COLLECTORS DESIGNATED BY EMPLOYEE LABOR ORGANIZATIONS

Prior to each locality wage survey, the total number of wage board employees under exclusive recognition in the area shall be computed for each employee labor organization with exclusive recognitions in the wage survey area.

The employee labor organization having the largest number of wage board employees under exclusive recognition in a locality wage area shall designate fifty percent of the data collectors to be designated by the qualifying labor organization.

The remaining fifty percent of data collectors to be designated by the qualifying labor organization shall be designated by the remaining employee labor organizations holding exclusive recognition in the locality wage area, in proportion to the number of employees represented by such remaining labor organizations with exclusive recognition in the wage survey area.

If only one labor organization has exclusive recognition in the area, that one labor organization shall designate all the data collectors to be designated by the qualifying labor organization.

If no employee labor organization qualifies in a locality wage area to designate a Locality Wage Committee member or data collectors, then the lead agency in the area shall appoint the Locality Wage Committee and all data collectors.

## APPENDIX A

## PRESENTLY NEGOTIATED AGREEMENTS

In line with our strong support for union participation and collective bargaining in the wage setting process for blue-collar federal workers approximating as closely as possible the collective bargaining rights enjoyed by workers in private industry, and in line with the letter and spirit of Executive Order 10988, particularly its preamble clauses and Section 15, we believe that all presently negotiated agreements should be retained and continued.

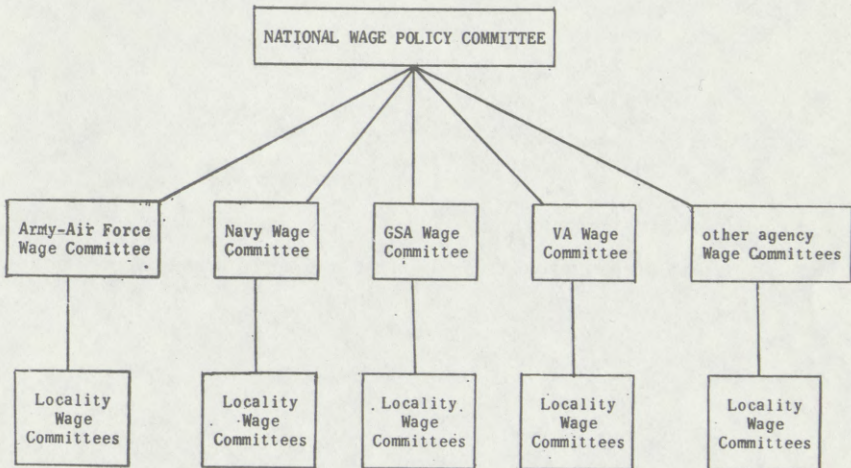
We call specifically for retention and continuation of the wage-setting negotiation practices now in effect at such federal activities as the Tennessee Valley Authority, the Bonneville Power Administration, The Southwestern Power Administration, the Pacific Northwest Power Rate Schedule, the South Atlantic Power Rate Schedule, Department of Interior Bureau of Reclamation projects and other Interior Department projects, the Canal Zone Government, the Panama Canal Company, the Alaska Railroad, and where the Army Corps of Engineers has established a practice of setting rates based upon private utility company rates. The present negotiated pay practices for these federal activities should be continued as presently arrived at and as specified and promoted under Section 15 of Executive Order 10988.

Although the Government Printing Office is not an Executive Branch agency, we also call for retention and continuation of union participation and collective bargaining practices for the employees of the GPO under the Kiess Act (44 U.S.C. 40). This includes the craft and skilled employees of the Bureau of Engraving and Printing of the Treasury Department whose wages are set administratively in conjunction with the Government Printing Office. All other wage board employees of the Bureau of Engraving and Printing shall have their rates set in accordance with the policies and procedures set forth in this document.



Also recognized are special trades, crafts and occupations such as the printing trades, lithography, construction, power plant operation, longshoremen and maritime occupations in which law or industry and past agency practice has created a special situation calling for separate schedules.

## APPENDIX B



The CHAIRMAN. Thank you, gentlemen, very much and thank Mr. Biemiller for us for the courtesy of responding to our invitation to appear.

The committee will stand in recess subject to further call.

(Whereupon, at 11 a.m., the committee recessed subject to call.)

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