

8/29/80

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THE PRESIDENT'S SCHEDULE

Friday - August 29, 1980

7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:30 Breakfast with Secretaries Edmund S. Muskie and
(90 min.) Harold Brown, Deputy Secretary Warren Christopher,
Dr. Zbigniew Brzezinski, and Mr. Jack Watson.
The Cabinet Room.

1:00 Presentation of Diplomatic Credentials.
(65 min.) (Dr. Zbigniew Brzezinski) - The Oval Office.

2:15 Ms. Trude Feldman. (Mr. Jody Powell).
(15 min.) The Oval Office.

2:45 Depart South Grounds via Helicopter en route
Camp David.

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD)

8/08/21

ID # 076654

Name of Correspondent: Benjamin E. Mays

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Personal friend

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>AR Clou</u>	ORIGINATOR	<u>8/08/22</u>	<u>CP3</u>	<u>A</u>	<u>8/08/29</u>
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				
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ACTION CODES:

A - Appropriate Action
C - Comments
D - Draft Response
F - Fact Sheet
I - Info Copy
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:

A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: Support, offers services concerning coming events in 1980.

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Stephen Slade, ext. 2941.

BENJAMIN E. MAYS
3316 PAMLICO DRIVE, SOUTHWEST
ATLANTA, GEORGIA 30311

August 19, 1980

To Dr Mays -
Thank you, again!
Kennedy is now being
very helpful.
Best wishes,
Jimmy
076654

The Honorable Jimmy Carter
President of the United States
The White House
Washington, D. C. 20500

Dear Mr. President:

You gave an excellent acceptance speech and I do wish that Senator Kennedy had been more warm and cordial and had said that he would support the campaign. If he does not come around I think we will have to go on without him and we will still win the race. It is so clear that you beat him in the number of delegates pledged to you even after the great speech the Senator gave.

Some of our black leaders must be made to understand the great contributions you have made. As I said in the Rose Garden, you have appointed more black judges, more ambassadors, more cabinet members, and more generals to high government positions than any man in the history of our nation. Of course we must continue to do more until we reach parity in these significant positions but to expect twelve billion dollars to be spent immediately for jobs for black people and other minorities is a bit unreasonable in the light of the goals that you have set for the nation.

If I can be of any help in presenting to groups the contributions you and Vice President Mondale have made to the south and to the nation and black people and your leadership in the world let me know.

You
can -
do so

With kindest regards, I am

Very respectfully yours,

Benjamin E. Mays
Benjamin E. Mays

BEM:sjw

up date/15 is terrific on the
appointments you have made

FIJI

Q

Amb. EmBOLAY (Filipe Nagera Bole)

wife--Ilisapeci

HoG: PM Mara (& Min-Foreign Affairs)

DoS-Dick Holbrooke; NSC-Roger Sulvn

Af. I. Olym. UNIFIL +

Tuna dispute

Econ dev

SOMALI DEMOCRATIC REPUBLIC

Amb. WAR-SAH-MA (Dr. Warsame)

wife--Fatuma

HoS: Pres. SEE-ODD (Siad Barre)

DoS-Carol Lancaster; NSC-Gerald Funk

750,000 refugees

Facilities

Econ dev.

KINGDOM OF NEPAL

Amb. TAH-PA (Bhekh Thapa)

wife-Rita

HoS: King BIH-REN-DRAH (Birendra)

DoS-Jane Coon; NSC-Gerald Funk

Calif

Referendum

Peace Corps

Econ Dev

Electrostatic Copy Ma

For Preservation Purpo

NEW ZEALAND ②

Amb. FRANK GILL

wife-Barbara

HoG: PM Muldoon

DoS-Dick Holbrooke;NSC-Roger Sullivan

US/NZ +

ANZUS

ASEAN

Iran-Olym -

KINGDOM OF THE NETHERLANDS

Amb. LOOBERS (Jan Hendrik Lubbers)

wife-Bondina

HoS: Queen Beatrix

DoS Raymond Ewing;NSC Robt Blackwell

Mide

Afghan

LRTN 7

SWITZERLAND

Amb. HAIG-NEHR (Anton Hegner)

wife-(no name/not attend) 3chld

HoS: Pres. SHEH-VAH-LAHZ (Chevallaz)

DoS-Raymond Ewing;NSC-Robt Blackwell

Iran

Nuclear prob?

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③

REPUBLIC OF GHANA
Amb. BAFOUR-CENCHUREE
(Joseph Baffour-Senkyire)
wife-(no nm/nt atnd) 5 child
HoS: Pres. LEE-MAHN (Limann)
DoS Carol Lancaster; NSC-Grld Funk

*Moose → Ghana next wk
US-Ghana +
Demo →
Food +
Econ*

REPUBLIC OF ZIMBABWE
Amb. MASH-IN-GUY-ID-ZE
(Machingaidze)
wife-(no nm/nt atnd) 2 chld
HoS: Reverend BANANA (Pres.)
DoS-Carol Lancaster; NSC-Gerald Funk

Mugabe

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Presentation of Diplomatic Credentials
Friday, August 29, 1980

Regular Foreign Affairs Brakfast
Friday, August 29, 1980

THE WHITE HOUSE
WASHINGTON

For Aff

8-29-80

- > Cuba - Peru -
- > Poland
- > Mid E - Sol. Golan - ^{DE Jure} ~~True~~ Facts Summit
- > IN7 talks - Ltr → Dr
- > Somalia
- > For Aid - IMF/IMB
- > Canada treaty
- > World Bk Pres

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THE WHITE HOUSE

WASHINGTON

August 29, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: GENE EIDENBERG *Gene*

SUBJECT: Disturbance at Fort Indiantown Gap, Penna.

Yesterday, a disturbance broke out at the detention facility at the Indiantown Gap Cuban resettlement center. Two fires were set, and some injuries had been reported as of 9:00pm. Military police moved into the facility and quelled the violence. A total of 81 Cubans, 11 women, 33 men, and 37 juveniles were removed. The men and juveniles, who are older delinquents, were taken for temporary placement at Lewisberg Penitentiary. The women are being placed at a women's correctional facility in New York. The disturbance was contained to the two barracks in which these 81 people were being held in detention as a result of their participation in earlier difficulties at the base. I notified Governor Thornburgh.

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

August 28, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{C-5}
Subject: Index of Leading Indicators

Tomorrow at 10:30 a.m. the Department of Commerce will release the July index of leading indicators. It will show a record-breaking increase of 4.6 percent -- the largest previous rise was 3.2 percent in June 1975. Gains were recorded in nine of the ten individual components (the tenth was unchanged) with the biggest boost coming from a substantial drop in the layoff rate in manufacturing.

As we have indicated in the past, we think this index is not itself a good predictor of future events, despite its title. But it does tend to confirm the general state of economic developments. In other words, the rise in the index in July is another bit of evidence suggesting the recession is bottoming out. The press, however, is likely to make a big deal about the increase. While normally we would simply express gratification, under present circumstances bond markets will probably be more unsettled by signs of growing economic strength.

We may be getting, probably sooner than I expected, a clash between a strengthening recovery and the Fed's monetary targets. I hope the real clash can be put off until after the election. But I can't guarantee it.

**Electrostatic Copy Made
for Preservation Purposes**

29 Aug 80

Lloyd Cutler:

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

Admin. Conf.

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	FOR APPROPRIATE HANDLING
	LAST DAY FOR ACTION

ACTION
FYI

✓	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	JORDAN
✓	CUTLER
	DONOVAN
	EIDENBERG
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	HUFSTEDLER
	LANDRIEU
	MARSHALL

	MILLER
	MUSKIE
	AIELLO
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	FIRST LADY
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	MARTIN
	MILLER
	MOE
	MOSES
	PETERSON
	PRESS
	RECORDS
	SANDERS
	SHEPPARD
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

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THE WHITE HOUSE
WASHINGTON
August 27, 1980

Lloyd.
Ben's written memo
is ok - respond
orally -
J.

ADMINISTRATIVELY CONFIDENTIAL
NODIS

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER *LNC*

SUBJECT: PRO-AND-ANTI-IRANIAN DEMONSTRATIONS

I recently prepared the attached draft memorandum to the Attorney General, the Secretary of the Interior and the Secretary of State to make a record of your instructions that you are to be consulted on the "clear and present danger" issues before any required permit is granted for a pro- or anti- Iranian demonstration in Lafayette Park or on the White House sidewalk.

Before sending it, I discussed it with the Attorney General and sent a draft copy to him. He indicated a preference for recording our policy in his own memorandum to you. I replied this would be satisfactory as long as the substance was the same.

The Attorney General's memorandum arrived this morning and is attached. It does provide for prior consultation with me in each case and lays down the same general principles as my draft, but it does not expressly make clear that the "clear and present danger" issues are to be reviewed with you before any permit is granted. The Attorney General thinks this puts you too directly into each decision and might even require you to sign affidavits or give testimony in a court challenge. He thinks it is wiser for him to bear the brunt of making each decision after consultation with State, Interior and me. I would of course obtain your views, and on an issue of this foreign policy magnitude, I feel sure he will follow them.

My understanding has been that you wish to participate before any final decision to grant a permit. However, his point about court involvement has merit, and there are understandable reasons of turf and self-respect for the Attorney General's preference for initiating the memo and the way it is phrased. I therefore recommend that you accept the memo and either call or meet with Ben to make your wishes clear. I would be glad to attend such a meeting, if you think appropriate.

Attachments

ADMINISTRATIVELY CONFIDENTIAL
NODIS

D R A F T

August 20, 1980

SUBJECT: Pro- and Anti-Iranian Demonstrations

This memorandum will reconfirm the President's instructions concerning the granting of permits to conduct pro- or anti-Iranian demonstrations on the White House sidewalk, in Lafayette Square, on the Capitol Hill grounds or on other major federal properties in Washington.

The President wants your Departments to continue the policy of considering all such applications on a case by case basis, within the guidelines upheld by the Court of Appeals in Jackalone v. Andrus. This requires careful assessment of whether incidents that might reasonably be anticipated would tend to create "an unacceptable potential for danger" to the physical safety or early release of the American hostages held in Iran, or a comparable danger to other Americans present in Iran. It also requires assuring the availability of other nearby sites with a lower potential for danger.

The President wishes to be informed through me about any such application for permit and to be advised of each proposed decision before it is made final.

These instructions will apply until modified by the President.



Office of the Attorney General
Washington, D. C. 20530

August 27, 1980

MEMORANDUM FOR THE PRESIDENT

Re: Iran-related Demonstrations

During my absence I understand that questions arose concerning the procedures for dealing with demonstrations in Lafayette Park in connection with the hostages in Iran. I share your deep concern over the consequences that actions by Iranians in this country and actions by Americans against those Iranians have on the welfare of the hostages in Iran and on our ability to secure their release. I want you to be aware of the steps we are taking to avoid the kind of violent confrontations that would jeopardize the safety of the hostages. Cecil Andrus and I have established procedures to assure that all relevant information concerning a planned demonstration and the views of the people with the expertise, experience and responsibility for dealing with the demonstration and its foreign relations consequences are all assembled centrally and quickly in order that a reasoned and informed decision can be made as to the Government's response to the planned demonstration.

We will consider each planned demonstration on a case-by-case basis as required by law. I have designated three individuals in the Department of Justice to take responsibility for pulling together on a priority basis the relevant information and recommendations. We will consult with representatives of the State Department regarding the special risks for the hostages that might be created by a particular demonstration. We will seek the judgment of the Park Police, and the Metropolitan Police as to the extent of risk of violent confrontation posed by a planned demonstration and the best tactical means to control that risk. We will advise Lloyd Cutler of the planned demonstration in order that he might furnish any additional information available through the

White House that might be relevant to the decision. Based on this information and my legal judgment, I will recommend a course of action to the Secretary of Interior who has direct responsibility for the federal property involved.

Through this process we will carefully assess whether the particular demonstration, if held in close proximity to the White House or the Capitol would present a special potential for danger to the physical safety or release of the American hostages, or a comparable danger to other Americans in Iran under the guidelines applied by the Court of Appeals in Jackalone v. Andrus. In a case where a demonstration near the White House would pose such special danger, we will make available to the demonstrators alternative demonstration sites. Any action taken, of course, will conform with Park Service regulations.

You should be aware that the Park Service does not require a permit for small gatherings of, for example, 25 persons. Therefore, when a small group gathers, spontaneously or otherwise, on Park Service controlled property without a permit they are not subject to arrest as would be the case if a larger number of demonstrators should seek to proceed without a permit.

I believe the process I have described will assure that well informed and timely decisions are made in each case with the highest regard for the well-being of the American hostages in Iran within the limits imposed by the First Amendment.

Ben Civiletti

Benjamin R. Civiletti
Attorney General

*Lloyd.
Respond verbally:
I want personally to
be involved in any approval
of an Iranian demonstration
in the vicinity of the
White House
JC*

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FILMING WITH INNER-CITY GROUP

Friday, August 29, 1980
9:15 - 12:00
Ontario Courts Apartment
2525 Ontario Road, NW
Washington, D. C.

From: Jerry Rafshoon 

PURPOSE

To film you in discussions with inner city dwellers.

BACKGROUND

Ontario Courts Apartments is a lower class HUD-funded redevelopment project located in the Columbia Road area. The project is part of Jubilee Project and Mrs. Carter is apparently familiar with this project and has visited in the area. The majority of the participants are black and unemployed. You will be talking with them in the courtyard of the apartment complex. Their major concerns are jobs, welfare reform, and criminal justice.

PARTICIPANTS

Liz Battles - Black female; 35-40; unemployed; says that she would like to work but can not get child care; husband is unemployed as well.

Rosa Hatfield - Black female; 32; married and has four children; employed by the Jubilee Project; is concerned about inflation; very apathetic about politics and government; says that it makes no difference to her who is President.

Ella Bates - Black female; 50; widow or divorced; has grown sons; on welfare; concerned about medical costs.

Vickie Kelly - Black female; 20; single with one child; does not work; does not plan on voting.

Linda Stanback - Black female; 26; has three children; very vocal; would like to go to college; concerned that the US government spends so much money on feeding the hungry in foreign countries (Cambodia) when its own people are starving, minutes from the White House; also very concerned, and very knowledgeable about welfare reform.

Imogene Wise - White female; interracial marriage; mid-30's; 2 children; a neighborhood leader.

Reggie Claiborn - Black male; 27; maintenance coordinator for apartment complex; parks cars at night as a second job; concerned about lack of job training for minorities.

Bolton Crumpton - Black male; 40's; verbal; concerned about criminal justice system; self-employed.

We hope to have two Hispanics from this neighborhood as well.

TALKING POINTS

David Rubenstein is preparing talking points.

This could be the most hostile group that you have met with thus far. However, I think that there is tremendous potential to get some good dialogue. You may find this group a little more reluctant to open up, but I think that once they feel comfortable with you that the discussions can be very frank and enlightening.

9:15 AM

THE WHITE HOUSE

WASHINGTON

August 28, 1980

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MEMORANDUM FOR: JERRY RAFSHOON

FROM: DAVID RUBENSTEIN *DR*

SUBJECT: President's Session with Inner-City Residents

The group with whom the President is meeting can be expected to concentrate their focus on issues relating to urban dwellers, the poor, and minorities.

I have listed below points the President might make in each of these areas relating to his record, his program for the 80's, and the Reagan agenda:

A. Carter Record

1. Employment - unemployment, and particularly minority unemployment, is still far too high, but over the past 3-1/2 years, more than 8 million new jobs have been created, and one million of those are held by Blacks, nearly one million by Hispanics. While the unemployment rates need to be lowered, it is still true that there are more Blacks and Hispanics at work than ever and that minority unemployment rates have fallen since '77.
2. Appointments - more minorities and women have been appointed to Federal Judgeships in the past 3-1/2 years than in all the previous Administrations combined; these are lifetime appointments which will have a substantial impact on our Nation for the rest of this century. And more Blacks, minorities and women have been appointed to Cabinet positions, sub-Cabinet positions, and White House positions than at anytime in history.
3. Civil Rights - The Civil Rights Laws have been strengthened as never before, with increased authority for the Equal Opportunity Employment Commission under Eleanor Holmes Norton, and the Civil Rights Division of the Department of Justice under Drew Days; and there has been increases every year in funding and staff for Civil Rights enforcement. Now, every effort is being made to enact a strengthening of the Fair Housing Act.
4. Urban Policy - The Nation's first comprehensive urban policy has been proposed, passed by the Congress, and is now being implemented. Through that policy, more than \$35 billion has been provided to State and local

governments over the past 3-1/2 years, in new programs like the Urban Development Action Grant Program and through expansion of existing programs, like the Community Development Block Grant Program (which is the funding source for the housing project being visited). The result has been a revitalization of our urban areas that was thought impossible three years ago. Too, the Federal commitment to public housing has been dramatically increased in recent years; this year's increase is 25% above last year's level of support.

5. Minority Business - the government's minority business efforts have been increased enormously; the Federal government has nearly tripled its procurement for minority businesses in just three years, Federal deposits in minority-owned banks have been more than doubled, and minority-owned radio and TV stations have now been increased by exactly 100%.
6. Youth Employment - we have attacked directly the problems of high youth unemployment by dramatically increasing Federal funds for new youth employment programs; this year, the only new domestic initiative in the Congress is a \$2 billion youth employment program that will provide job training to youth now in schools and job opportunities to those who have left school. With the passage of this legislation we will be spending over \$6 billion a year on youth employment programs. And that is in addition to the one million summer jobs we provided last year, we are providing this year, and we are committed to providing next year.
7. Key Domestic Programs - funding for major programs of special concern to Blacks and other minorities has increased substantially. Funding for Head Start has increased by 73%; for Basic Skills by 233%; Job Corps, 157%; CETA, 115%; Minority Business Assistance, 52%; Subsidized Housing, 78%; Food Stamps, 99%, Child Nutrition, 43%; and WIC (Women, Infants and Children), 300%.
8. Legislative Record - we have enacted important legislation that will help Blacks, minorities and all Americans well into the future -- the Humphrey-Hawkins Full Employment Act was enacted after many years of trying and we are committed to meeting its goals. The D.C. Voting Rights Amendment was passed and we are committed to its prompt ratification so that the citizens of the District of Columbia can be represented in the Congress like the citizens of every state.
9. Foreign Policy - and finally, our progress has not been limited to the Domestic area. Under the leadership of Andy Young, and now Don McHenry, we have developed new ties at the UN with African nations that previously scorned Administration policy and leaders, and we have pursued human rights throughout the world, and particularly in Southern Africa. We have sought majority rule in Southern Africa, and after a long struggle, we have succeeded in transforming Rhodesia into a free state of Zimbabwe.

B. Agenda for the 1980's

1. Job creation - new economic revitalization program will create in the private sector 450,000 new jobs by the end of '81, 1 million new jobs by end of '82; working toward the Humphrey-Hawkins goal of 4% unemployment; particular emphasis to be placed on youth unemployment.
2. Reduced inflation - through policies sensitive to the special needs of the poor and minorities.
3. Passage of National Health Insurance - to ensure comprehensive health care for those who cannot now afford it.
4. Passage of Welfare Reform - to ensure that all Americans are provided a decent income and, if they can work, a sound job.
5. Continued implementation of an urban policy - to ensure that our nation's urban areas once again become vibrant, job-producing areas, with decent housing, social services and health care for all of their residents -- regardless of their wealth or race.
6. Expanded economic and government opportunities for minorities - to ensure equal opportunities for Blacks, Hispanics, women -- through affirmative action programs, and continued vigorous enforcement of civil rights laws, appointments of record numbers of women and minorities to government positions, expanded minority business opportunities.
7. Ratification of Equal Rights Amendment and D.C. Voting Rights Amendment
8. Continued efforts to ensure sound law enforcement and criminal justice - with special attention being paid to the crime problems facing the poor and the harrassment and discrimination facing Blacks and Hispanics.
9. Expanded and improved education opportunities - to ensure that a sound education is available to everyone -- to make certain that our graduates are properly trained and educated for jobs.
10. Continued efforts to eliminate drug abuse

C. Reagan Agenda for the 1980's

1. Opposition to National Health Insurance (and to Hospital Cost Controls).
2. Opposition to Welfare Reform (to increased, more equitable benefit).
3. Opposition to the minimum wage.
4. Opposition to Humphrey-Hawkins.
5. Support for Constitutional Amendment to balance the budget.
6. Opposition to Equal Rights Amendment.
7. Opposition to public service jobs programs.
8. Opposition to basic urban assistance programs (and to aid to prevent New York City from going bankrupt.)
9. Opposition to Department of Education.
10. Opposition to job creation programs in the new economic revitalization programs.
11. Opposition to Martin Luther King holiday.
12. Opposition to Windfall Profits Tax.
13. Opposition to Fair Housing Act amendments.
14. Support of letting oil companies loose to solve all of our energy problems.

2:15 PM

THE WHITE HOUSE
WASHINGTON

August 28, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Interview with Trude Feldman
Friday, August 29, 1980, 2:15 p.m.
The Oval Office

Rosh Hashanah and Yom Kippur are the two holiest days of the year for the Jewish people. The first is the New Year and the other is the day of repentance -- a day on which one asks forgiveness for one's sins during the year. The belief is that through prayer and through repentance one can receive forgiveness for one's sins committed directly between the person and God but that one cannot be absolved from sins committed against another person without receiving forgiveness directly from that person. I would suggest that you extend warm New Year's greetings to Trude -- the Hebrew phrase is "la shanah tova." (Sha-nah to-va)

I would stress those areas that are of critical importance in the election:

1. Stress your opposition to the reimposition of mandatory school prayers and your concern about Reagan's support for such mandatory prayers, which are viewed with great alarm in the Jewish community.
2. You might express your strong opposition to John Anderson's earlier efforts to have the United States declared, in the Constitution, a Christian nation. You could point out that this is neither a Christian nor a Jewish nation, but a nation built on permitting everyone to express his own religious beliefs in the way he thinks is most appropriate.
3. You have major accomplishments that have gone unrecognized in insisting on Soviet compliance with the Helsinki Accords; in speaking out on behalf of Russian Jewish and other dissidents; in increasing substantially the flow of Soviet Jewish immigration (from 16,000 to 50,000 before Afghanistan); and proposing and implementing a \$20 million block grant program which goes to local Jewish welfare federations for the settlement of Soviet Jews in the United States; support for a program to provide funds for Israel to help resettle Soviet Jews; special efforts to protect the Iranian Jewish community in Iran and to facilitate their settlement in the United States; passage and implementation

of the anti-Arab boycott amendments which, for the first time, make it illegal for American companies to participate in the economic boycott of Israel (and this has been effectively enforced with a number of companies cited for violations).

4. I would also strongly stress that there never has been and there never will be, under a Carter Presidency, an arms cut-off or freeze or the kind of "reassessment" of policy that your Republican predecessor called for. Also, you should stress your fundamental opposition to the recognition of the PLO unless and until it accepts Israel's right to exist and accepts U.N. Security Council Resolutions 242 and 338. Obviously, stress the historic Accord with Egypt and Israel. On the Jerusalem issue, I think that the best way to handle it in the interview, if it arises, is to simply state that Jerusalem should be united with open access to all holy places and that its ultimate status should be a matter for negotiation between Israel and Egypt and other parties. I think it is very important to allay lingering fears that you would somehow "turn against" Israel in a second term since you would not have to worry about reelection.

I have talked personally with Trude and with one of the Rabbis who was at your Jewish leaders briefing today. Trude will focus on two topics -- the Jewish holidays and your personal experiences at Camp David. The Rabbi said (and Al Moses confirmed) that you had a truly striking impact on the people at the meeting. Trude wants to convey the personal sense that you were able to convey to the Jewish leaders. The Rabbi stressed that your statements on Jerusalem and on the Camp David process were very moving. Trudy feels very strongly that she should be able to do the interview personally with you for at least thirty minutes. Because of her general condition, putting a third person in the room will make it very difficult -- if not impossible -- for her to do the interview. She will take the notes she gets from the interview and do several pieces between now and the election. She also indicated that she wants to give you a few minutes on suggested strategy for the Jewish vote.

Although I know this is a great burden on you, I think it is worth the dividends and I hope that you can create an atmosphere which is conducive for her to do the type of reporting that will be beneficial. She has assured me that she will submit her copy in advance to me to allay any concerns about the need for a third person in the interview.

RAGE

Rage is being hungry
Without a damn thing to eat
It's also eating beans when you really
want meat

Rage is when your man, stays out
all night with a sick friend

You know it's a damn lie

But you don't want things to end

Rage is wanting more, but having
to settle for less

It's also being looked upon as second best

Rage is when you want to cry, but
you know they'll say you're not strong

It's when you know you're right, but they
keep saying you're wrong

Rage is when the landlord says "vacate,
leave, just go"

You tell him you have nowhere

And he just shrugs and says "so"

Rage is voting for a leader, who says
he'll set you free

And waking up to find you're still
chained to the tree

Rage is being treated like dirt

And God only knows how
much @ that hurts
Rage is that roaring sensation
you feel inside
You try to keep it all in and
just let it hide
But just take it from me, friend
If you scream, yell or cuss,
you'll feel better in the end

Lynda Starbuck

2418 - 17th St

APT 202

This is a
great poem!

Jimmy Carter
8-29-80

11:45 AM

THE WHITE HOUSE
WASHINGTON

August 28, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
SUBJECT: Meeting with Fletcher Byrom on Friday, August 29
at 11:45 a.m.

I have attached at Tab 1 some questions you may want to discuss with Fletcher Byrom tomorrow morning.

If the interview goes well and you decide you want to select him, I would suggest the following steps:

1. Ask him to see me immediately after your meeting to discuss:

● Meeting with Senator Byrd

Byrd has asked to meet whomever you select before any announcement. We think that Byrd should meet Byrom, in light of his connection with Reagan. If possible, we will also try to arrange a session with Senators Johnston and Jackson. Byrd is in West Virginia and will return Wednesday; Byrom plans to be here Wednesday for an earlier scheduled meeting.

● Conferring with Lloyd Cutler about conflict of interest requirements

● Discussing the Board

You may want to use the following talking points:

- I have made initial decisions about Board membership.
- I'd like you to discuss those decisions with Jack.
- We hope to announce nominations to the Board soon after we announce the Chairman.

2. Call Bob Strauss, discuss Byrom with him, and ask him to meet with Byrom

As I suggested yesterday, I believe that if Strauss talked with Byrom there is a reasonable chance that he would reach my conclusion that Byrom has suffered from an unfair association, and would do this job very well. If they met, they could discuss candidly Strauss' concern and the facts of Byrom's relationship with Reagan, including what Byrom might be prepared to say publicly if he is selected as Chairman.

If you agree with this suggestion:

- I would tell Byrom that:
 - You know concern has been expressed about your membership on Governor Reagan's advisory committee.
 - I would like you to chat with Bob Strauss about this next Wednesday.
 - If we can get it arranged I'll let Jack know and he can give you the details.
- I would tell Strauss that:
 - I have met with Byrom and believe he is the best man available for the Synfuels Chairmanship.
 - It is vital that we get the best leadership possible for this crucial job.
 - I know your concerns and want you to meet Byrom.
 - As you may know, LeRoy Irvis (our Pennsylvania cochair) and Mayor Caliguiri support Byrom.
 - Byrom says he agreed to give Reagan's people economic advice but did not understand that to be a political endorsement. He is not supporting Reagan, and we have reason to believe he would say so publicly.
 - Can you get together with Byrom on Wednesday (Strauss is in Texas and returns Tuesday)?

Also attached, for your information, at Tab 2 is a copy of Byrom's resume and the comments we have received about him.

SUGGESTED QUESTIONS TO DISCUSS IN MEETING WITH FLETCHER BYROM

1. I understand you share my feeling about the importance of the Synfuels initiative. How quickly do you think we can get the Corporation operational?
2. What major obstacles do you see that could frustrate our effort to make synfuels commercially feasible and available as soon as possible?
3. Do you think we should use the synfuels resources (nearly \$90 billion over the next decade) to also help meet other priority objectives? For example, we estimate hundreds of thousands of jobs will be created by the Corporation's activities. Should we deliberately try to locate projects in economically depressed areas?
4. Should the Corporation rely on the energy expertise of the oil companies, or should it try consciously to involve other companies?
5. As you know, the environmental community is very concerned about the synfuels program. How do you view the trade-off between synfuels development and environmental protection? What would you do to reassure the environmentalists without significantly retarding progress on synfuels?

FLETCHER LAUMAN BYROM
Pennsylvania

EXPERIENCE

1947 - Date Koppers Company, Inc.

1970 - Date Chairman
1968 - Date Chief Executive Officer
1960 - 1967 President, Director,
 Chief Administrative Officer
1958 - 1960 Vice President, General Manager

Tar Products Division, Koppers Company, Inc.

1955 - 1958 Vice President and
 Assistant General Manager
1954 - 1955 Assistant Vice President,
 Manager of Operations
1947 - 1954 Assistant to General Manager

1942 - 1947 Procurement and Administrative Coordination,
 Naval Ordnance Laboratory,
 Bureau of Ordnance and Research Planning Board,
 U. S. Navy Department

1940 - 1942 Sales Engineer,
 American Steel and Wire Company

OTHER ACTIVITIES

Director: Ralston Purina
 Continental Group, Inc.
 North American Philips Corporation
 Mellon National Corporation
 ASARCO (formerly American Smelting and Refining Co.)

Member, Board of Directors:
 Regional Industrial Development Corporation
 Pittsburgh Regional Planning Association
 Allegheny Conference on Community Development

Member: The Conference Board
 Committee for Economic Development (Chairman)
 Business Council

EDUCATION

1940 Pennsylvania State University, B.S. (Metallurgy)

PERSONAL

White Male
Age 61
Republican

COMMENTS ON FLETCHER BYROM

Sol Linowitz, Special Mideast Negotiator for the President

Byrom is a man of tremendous ability, a "can do" person with great knowledge of energy and of process technology. His appointment would be a clear signal that we have attracted a truly significant person. Byrom is highly regarded as a leader in the business community. Most businessmen in his strata would be giving economic advice to Reagan. Byrom did not consider that the giving of advice was a truly political act. Byrom is not a mossback conservative but a public-spirited businessman who has devoted a great deal of energy to public service. Byrom sees the Synfuels Corporation as essentially non-partisan in the political sense. If the President asked him to serve, he would say that he would accept because he respects the President so much and because the Chairmanship represents the highest form of public service in these times. It is profoundly in the national interest to develop an American synfuels capability. We could turn it into a plus by pointing out that this outstanding business leader was giving up the Chairmanship of Koppers to serve a Democratic President and to serve the nation. I am ready to help in any way in dealing with Byrom's candidacy.

Bill Miller, Secretary of the Treasury

Outstanding operating executive and business leader. If the political problem can be resolved, would be a very good choice.

Phil Klutznick, Secretary of Commerce

Should be considered seriously. Excellent.

Irv Shapiro, Chief Executive Officer, DuPont

I've been lukewarm on Byrom in the past but I've changed my views recently. Given the alternatives available, he is a good gamble. He is better than the other names you have passed by me since July 4th. I have told Bill Miller this.

Byrom is essentially apolitical. He has never been a political activist. His Reagan affiliation is probably an act of political naivete.

Graham Claytor, Deputy Secretary of Defense

Knows him well as a supplier and a customer from Southern Railway days. Very strongly recommended. A truly outstanding man.

Bob Strauss, Chairman, Carter/Mondale Committee

B+ on ability. Unacceptable politically because he was a member of the business advisory committee to Reagan.

Frank Pace

Very bright, very able. May lack political sophistication.

Hedley Donovan

Very vigorous. Very bright.

Howard Johnson, Chairman of MIT

He has assumed an elder statesman role in the business community. I would not think you want someone like this given the management task that will face the Corporation. Byrom simply is not up to the test now.

Thornton Bradshaw, Chief Executive Officer, ARCO

Would be an adequate Chief Executive Officer. He's not in the same class as Mettler, Ramo and Heineman. Just a little cut below. He has been a very effective explainer of the business community, and would be excellent with the Congress. Koppers doesn't compare with TRW or Northwest Industries.

Henry Schacht, Chief Executive Officer, Cummins Engine

I hope you choose Byrom as CEO. He's almost ideal for this job. I will call Anne Wexler to confirm my feelings about Byrom.

Andrew Brimmer, President, Brimmer Associates

First class guy! I've known him for some time -- we serve together on the New York Stock Exchange Board and CED. He's not a political person -- is definitely not hostile to us! You shouldn't be troubled by his agreement to provide advice. I know he's not a Reaganite, and has never been a fundraiser for political candidates. Byrom agreed to give advice to all candidates. He is a registered Republican, but is viewed in Pittsburgh as a non-partisan public-spirited individual who works well with all sides to solve problems. He has not contributed to Reagan.

He's too close to what you're looking for to let him slip away. Irv Shapiro and I have talked about this recently and we agree that Byrom should be at the top of your list.

Bob Hatfield, Chairman, Continental Group - Stamford, Connecticut

If you can get Fletch, you've got the best!

Regarding the fact that he agreed to serve as an advisor to Reagan, this is strictly an apolitical group. We agreed to be used as a sounding board. This shouldn't put us into the Republican camp. We have also made ourselves available to the President and to this Administration as well through the Businessmen's Roundtable and the President's Export Council. I also serve on that advisory group - as well as the Roundtable and PEC. Also, the head of the NYSE served - and if it were a political thing, he could't do it.

Fletch is one of the most capable guys you will find.

Juanita Kreps

Byroms' party affiliation shouldn't be a factor. He is not partisan. Strongly recommend him.

Charles Duncan

Very impressive. Strong intellectually. Articulate. He's a captain of industry - and will be perceived positively. Conservative business ideology. Though he initially opposed this concept (for the Corporation) he's now philosophically in tune.

John Macy, Director of FEMA

I worked with him in the early 70's during my Better Business assignment. Byrom has been very active in the corporate leadership groups. He will well above average on the question of corporation social responsibility. He was way out front on the energy issue. But I don't know about his management style or his view of public service.

Louis Branscomb, Vice-President, Research, IBM; Newly elected Chairman of the National Science Board

Ranks Byrom and Charpie highly for SFC. Byrom is more urbane but Charpie is more capable of running the Corporation.

29 August 1980



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 27 1980

Electrostatic Copy Made
for Preservation Purposes

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. MCINTYRE, JR. 

SUBJECT: Options for the October 1980 Federal
Pay Adjustment

Deadline for Action

The law governing the annual pay adjustment process requires that you decide before August 31 the amount by which Federal employee pay should rise in October. The interim period is designed to allow Congress 30 days to veto your proposal. Congress is unlikely to do that this year, of course, but these deadlines are set by law.

Because of the Senate Labor Day recess and the fact that August 30 and 31 fall on Saturday and Sunday respectively, we plan to have the documents delivered to the Congress on Friday, August 29.

Comparability Increase

The BLS survey found that private sector pay rates have increased by 9.1 percent since last year. When those data are weighted to reflect Federal employment at the various pay levels, and to include the 3.2 percent catch-up resulting from the pay caps of FY 1979 and FY 1980, your Pay Agent (the Secretary of Labor and the Directors of OPM and OMB) finds that an average 13.46 percent Federal pay adjustment would be required to achieve comparability. Such an increase obviously is too high to be feasible this year.

Current law provides that the annual increase for the military be the same as the average of the civilian increase. However, the Defense Authorization Act providing a military increase of 11.7 percent has just passed in both Houses of Congress and is on the way to you for signature. Accordingly, this year's increase under the Alternative Plan will go to civilians only.

COWPS Guidelines

Under the guidance of the COWPS staff, we have calculated the Federal increases allowable under the FY 1980 guideline rules. These rules set a range of 7.5 to 9.5 percent as the guideline maximum, anticipating a national average increase of 8.5 percent.

In calculating what increase is allowable under the guidelines, COWPS includes a carryover factor if the previous year's increase is below the guideline. Because our calculations include carryover from the pay caps of FY 1979 and FY 1980, an increase as high as 11.5 percent would be permissible. However, any increase that is outside the published guideline ceiling of 9.5 percent obviously would be perceived as excessive.

Costs of Pay Increases

Each 1 percent increase in Federal civilian pay will cost about \$380 million. Of this, \$325 million is for white collar employees and \$55 million is for blue collar employees. (As in the past two years, Congress is expected to cap blue collar pay through an appropriation limitation that will give blue collar workers whatever percentage increase you allow white collar workers.) However, OMB requires agencies to absorb as much of each year's pay increase as they can; this averages to approximately one-third of the total.

Advisory Committee on Federal Pay

Your Advisory Committee on Federal Pay recommends an increase, graduated by grade, that would average about 9.5 percent.

Relationships with Unions and Employees

In a recent letter to you (attached), Lane Kirkland said that under the National Accord they expect, and cannot support anything less than, an equal application of the private sector guidelines to Federal employees. He interprets equal application as requiring a 9.5 percent increase this year. However, Ken Blaylock, Mr. Kirkland's principal spokesman on this issue and President of the largest Federal employee union (AFGE), is arguing for a 9.1 percent increase (letter attached), and the AFL-CIO now supports 9.1 percent informally.

In considering relationships with the Federal employee unions, you should know that past pay limitations have been a factor in the widespread feeling among Federal employees that this Administration has been unfair to them.

Recommendations

OMB and OPM recommend an 8.6 percent increase. This is our current estimate of the increase that would result from implementing the total compensation comparability method (pay plus benefits) of setting Federal civilian pay as proposed in the Administration's compensation reform legislation and reflected in the budget. This increase would cost an additional \$200 million over the 7.8 percent shown in the budget.

This 8.6 percent increase falls in the middle of the COWPS 7.5 to 9.5 percent range, and can be defended before the unions as a fair application of the guidelines to Federal employees. Employees could give you credit for an increase higher than that shown in the budget, while others would have to concede that you had limited the pay increase substantially (cutting it from 13.46 to 8.6 percent).

You may wish to consider the alternative (9.1 percent) advocated by Mr. Blaylock. He argues that the National Accord provided that Federal employees would not be treated differently than private sector employees; that this year's guidelines provide for an upper limit of 9.5 percent; and that the private sector salary movement, as shown by this year's BLS survey, was 9.1 percent. Therefore, he says that, "simple justice and the need for preservation of the comparability process demands an average Federal adjustment this year of 9.1 percent."

Should you decide to accept the 9.1 percent figure, we can defend it to the public as a cut from the 13.46 percent comparability figure. However, this increase would cost \$125 million more than the 8.6 percent we are recommending and the total 9.1 percent increase could be seen as an expensive retreat from your tough stand against inflation.

As in 1978 and 1979, the BLS survey found that higher increases are needed at the top of schedule than at the bottom to achieve full comparability. The Advisory Committee has again recommended that the increase be graduated by grade. Mr. Blaylock would go along with some tilting of the pay line but does not prefer it. However, under either alternative plan option, tilting the line gives high-graded employees more at the expense of low-graded employees. In addition, the extent of the tilt possible is very modest. Therefore, as in 1978 and 1979, we recommend strongly that the plan provide for an across-the-board increase of the same percentage.

Decision

8.6 percent (If checked, sign tab "8.6%".)

9.1 percent (If checked, sign tab "9.1%".)

J

1901
1902
1903



THE WHITE HOUSE
WASHINGTON

8/28/80

Mr. President:

Jim McIntyre mentioned to me today that while he felt he had to recommend 8.6% for the reasons set forth in his memorandum, given the political situation you might be advised to adopt the 9.1% option.

Harry Kerkland feels the National Board indicates that federal employees should be treated equally with the private sector.

Stu

THE WHITE HOUSE

WASHINGTON

August 28, 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
STEVE SIMMONS *Steve*

SUBJECT: McIntyre Memo re Options
for the October 1980
Federal Pay Adjustment

As Jim McIntyre states, an 8.6% increase would be consistent with the pay reform methodology we have recommended to the Congress and announced in the FY '81 budget. However, we strongly recommend that you approve a 9.1% pay increase for the following reasons:

- This is the most important action you can take to increase the appreciation of over 2 million federal employees and their families for this Administration and enhance federal employee morale. As a result of previous pay caps, the pay reform legislation, and other initiatives this constituency is already antagonistic to us, and this direct, personal Presidential action would greatly help. Also, this would be responsive to the recent requests Congressman Joe Fisher and other members have made for us to take immediate actions responsive to federal employee needs.
- Comparability calls for a pay increase of 13.46%. The difference between 13.46% and 8.6% versus 9.1% would not be viewed as significant by the general public. Both figures are far below what comparability requires. However, the difference would be very significant for the individual recipients of the pay increase, federal employees. If others do criticize the 9.1% figure as too high, this can only focus on your personal concern as Chief Executive with federal employees who would appreciate your action even more.

- Today you will announce an economic package in excess of \$30 billion that helps all segments of society. The one group conspicuously not affected are federal employees. In fact, private workers who pay social security will benefit from our proposed social security tax credit, but federal workers who are not in the social security system will not be affected at all. Announcement of the pay decision will be the day after this package is presented, and it is hard to justify why after spending \$30 billion on all segments of society we cannot spend \$125 million on federal employees.
- 9.1% is well within the COWPS 7.5% - 9.5% FY '80 guidelines and much below the 11.5% allowable under the COWPS carryover procedures. It is also below the 9.5% recommendation of your Advisory Committee on Federal Pay.
- In previous years federal employees have received the same pay increase military employees have received. As Jim points out, this year the Defense Authorization Act provides military employees with an 11.7% pay increase, and it seems only fair to provide the 9.1% to civilian employees, which would still be far below the 11.7% military increase.

This morning we spoke with both Scotty Campbell and Ken Blaylock, President of the American Federation of Government Employees (AFGE), the largest federal employee union. Scotty said that as Director of OPM he had to recommend the 8.6% figure which is consistent with the methodology announced in the budget and recommended to Congress for reforming the pay system. However, he stated that, "If I were sitting where the President sits I would choose the 9.1% figure." Ken Blaylock told us, "A decision for 9.1% will make a difference in federal employee attitudes. There is no doubt about it." Blaylock also said that Lane Kirkland and the AFL-CIO now support 9.1%. We also note that Blaylock was just narrowly reelected President of AFGE, and this decision is critically important to his credibility.

Although we disagree with Jim and think you should approve a 9.1% pay increase, we do agree with him that the pay increase plan should provide for an across-the-board increase of the same percentage. As a matter of equity employees in the upper grades should not receive higher increases than low graded employees, and this is consistent with the previous pay increases you have approved.

JORDAN/WATSON

28 August 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

HAMILTON JORDAN ¹¹⁹
JACK WATSON *Jack*

SUBJECT:

Federal Pay Adjustment

You should consider the political implications of this decision with respect to the attitude of Federal employees in the Virginia and Maryland suburbs of Washington.

In general, Federal employees believe that the Carter Administration has treated them shabbily. Previous pay raises have not been comparable to private sector pay rates. Energy conservation measures such as paying for parking, and shutting off hot water, have created considerable hostility.

On the merits, either figure is defensible. Jim McIntyre's memo gives a mild endorsement to the lower figure, but makes these important points:

- o True comparability with the private sector requires a 13.46 percent increase.
- o Congress will be sending you an 11.7 percent military pay increase for consideration.
- o The Pay Advisory Committee recommends a 9.5 percent increase.
- o COWPS guidelines permit an increase within the range of 7.5 to 9.5 percent.
- o The AFL-CIO will accept a 9.1 percent increase.

The difference between the 8.6 and 9.1 percent figures is \$125 million. The higher figure does not violate the COWPS guidelines, and can be defended as a cut from the 13.46 percent comparability figure.

This decision is our principal opportunity between now and November to begin turning around the attitude of Federal employees towards us. To get the vote we need out of Northern Virginia and Maryland, we are going to need the help Congressmen Fisher, Harris, Barnes and Spellman; but they need a place to hang their hat if they are to help us with Federal employees. This decision will have a great impact in the Washington area, little impact elsewhere.

KAHN, BUTLER, CL

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

August 28, 1980

SENSITIVE

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CS*

Subject: Federal Pay Raise

1. I recommend you choose the 8.6 percent option.
 - o On a total compensation basis, as defined in your pay reform legislation, it would make Federal pay plus benefits fully comparable with the private sector.
 - o Giving an 8.6 percent pay raise implies a slightly larger increase -- perhaps 9 percent or so -- in total compensation, including fringes.

2. However, 9.1 percent can be justified as not out-of-line with pay increases in the private sector; it is clearly within CWPS guidelines. Frankly, I would use the extra half percent as a bargaining chip. You might:
 - o Call Kirkland and tell him that a number of your economic advisors recommend 8.6 percent (which is a completely accurate statement).
 - o Tell him you will take a lot of flak if you go to 9 percent or more, because that sounds like a lot of money out in Peoria (which is also accurate).
 - o Let him talk you into 9.1, but only after he realizes that you are doing so at some cost.

OTHER STAFF COMMENTS

Fred Kahn

"The 8.6 percent increase is preferable to the proposed 9.1 percent increase since it is closer to the midpoint of the pay range. For this reason, we would prefer 8.5 percent... It is unclear whether fringe benefits have been included in the calculations and, if not, what effect this would have... The actual increases Federal workers will receive will exceed 8.6 percent anyway, because of promotions and step increases..."

Landon Butler

"I recommend that the President select the 9.1 percent option... If the 8.6 percent option is selected, a little of the lustre will be removed from our relationships with organized labor... Kenneth Blaylock, President of the AFGE, has, in most cases, been a valuable ally of the Administration on issues affecting Federal workers--at considerable personal risk to himself... By selecting the 9.1 percent option, the President would probably insure that the most important Federal employee union remains under moderate leadership."

Frank Moore

"We concur with the arguments of Stu and Landon. A decision to opt for the 9.1 percent increase would strengthen our relationships with Congressmen Fisher, Harris, Barnes, and Congresswoman Spellman, and would go a long way to reverse the widespread perception that this Administration is working against Federal employees."

8.68

A President must balance economic considerations against the fact that Federal employees face the same kinds of problems with inflation as other citizens. In so doing, I have concluded that the dedication of these loyal public servants deserves no less relief than we would allow for other workers.

For those reasons, I urge the Congress to support the Alternative Plan submitted with this message.

X

THE WHITE HOUSE,

TO THE CONGRESS OF THE UNITED STATES:

An adjustment in Federal white collar pay is required on October 1 under the Pay Comparability Act of 1970.

The findings of my Pay Agent and of the statutory Advisory Committee on Federal Pay indicate that this year an average 13.46 percent increase would be required to achieve full comparability with the private sector, at a cost of approximately \$4.2 billion for civilian employees.

Current law provides that the annual increase for the military be the same as the average of the civilian increase. The Department of Defense Authorization Act, 1981, which has passed both Houses of Congress provides for a larger military pay adjustment this year. The larger increases proposed under that Act will supersede the increases military personnel otherwise would receive under the Alternative Plan.

A decision on pay comparability for Federal civilian employees necessarily must be made in the broader context of the present economic situation in this country. Inflation is a continuing threat to the economy, and consequently we still have anti-inflationary pay standards for all pay increases, public or private. For the past two years, I have looked to those standards in determining the Federal pay adjustment just as I expected other employers to do in formulating increases for their workers. I have continued that approach for this year's Federal increase.

The Pay Act gives me authority to propose an alternative adjustment to full comparability if deemed appropriate in light of economic conditions. Under that authority, I have decided upon an alternative pay plan consisting of an across-the-board 8.6 percent increase, and a partial exemption from the full effect of that limitation for the lowest paid civilian employees. That increase is fully within the range of the current national pay standards.

FEDERAL PAY COMPARABILITY

ALTERNATIVE PLAN

Because of economic conditions affecting the general welfare, I hereby transmit to Congress the following Alternative Plan, in accordance with 5 U.S.C. 5305(c)(1):

The adjustment in rates of pay of each Federal statutory pay system to become effective on the first day of the first applicable pay period that begins on or after October 1, 1980, shall be limited to an 8.6 percent increase at each grade in lieu of the adjustment determined under the comparability procedure set forth in 5 U.S.C. 5305(a)-(b); Provided, however, that the full adjustment determined under the comparability procedure shall take effect to the extent it does not increase any rate of pay to an amount of more than \$9,027 per year.

Accordingly, the overall percentage of the adjustment in the rates of pay under the General Schedule will be an 8.63 percent increase. The overall percentage of the adjustment in the rates of pay under the other statutory pay systems (Foreign Service and the Department of Medicine and Surgery of the Veterans Administration) will be slightly less, an 8.6 percent increase, because all salaries under those systems are higher than the \$9,027 per year limit which would permit comparability increases.

In accordance with 5 U.S.C. 5382(c) the following rates of basic pay for the Senior Executive Service shall become effective on the first day of the first applicable pay period that begins on or after October 1, 1980:

ES-1.	48,962
ES-2.	51,230
ES-3.	53,602
ES-4.	56,085
ES-5.	58,682
ES-6.	61,400

A President must balance economic considerations against the fact that Federal employees face the same kinds of problems with inflation as other citizens. In so doing, I have concluded that the dedication of these loyal public servants deserves no less relief than we would allow for other workers.

For those reasons, I urge the Congress to support the Alternative Plan submitted with this message.

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ES-6.	61,400

9.1%

Kirkland
Ltr

FRED HALL
 THOMAS W. GLFASON
 S. FRANK BATTERY
 MARTIN J. WARD
 ALBERT SHANER
 EDWARD T. HANLEY
 WILLIAM H. MCCLENNAN
 DAVID J. FITZMAURICE
 ALVIN E. HEAPS
 FRED J. KRULL
 WAYNE E. GLENN

JOHN H. LYONS
 FREDRICK O'NEAL
 GEORGE HARDY
 WILLIAM SIDELL
 GLENN E. WATTS
 ANGELO FOSCO
 J. C. TURNER
 KENNETH T. BLAYLOCK
 WM. W. WINPISINGER
 JOHN J. O'DONNELL
 ROBERT F. GOSS

PETER ROMMARITO
 JERRY WARD
 AL M. CHESSER
 ROBERT W. FINLEY
 SOL C. CHAIKIN
 CHARLES H. PILLARD
 LLOYD McBRIDE
 EMMET ANDREWS
 WILLIAM H. WYNN
 JOHN DeCONCINI
 DANIEL V. MARONEY



July 31, 1980

The President
 The White House
 Washington, D. C.

075889

Dear Mr. President:

In our discussions last year with reference to the pay guidelines and federal employees' pay increases, we made the strongest possible representations to you, to Vice President Mondale and to several of your Cabinet members, that justice required that federal employees not be treated any differently than private sector employees. Specifically, we argued that if it was decided that during a period of national economic crisis it was necessary to "cap" federal employees' pay increases and not grant to them the full amount which would be dictated by comparability surveys, then the "cap" could not be lower than that which was in effect for other workers. You accepted this logic and federal employees' raises granted October 1, 1979, were made subject to the wage guidelines and, consequently, limited to the 7 percent figure, with the exception of those earning \$4.00 an hour or less.

In the current consideration of the appropriate amount of increase for this year, I understand it has been established that the relationship of federal wages to comparable private sector wages would require an increase in excess of 13 percent to restore comparability. I understand further that the current survey shows private sector wage movements in comparable jobs was 9.1 percent during the past year, and that last year's adjustment fell short of "comparability" by about 4 percent. Given the fact that this year's guideline for wages establishes an acceptable range of between 7.5 and 9.5 percent, I believe that equal treatment of federal employees requires an average federal pay adjustment of 9.5 percent effective October 1, 1980. Such an adjustment would, at least, prevent the further erosion of the comparability principle, and in our opinion, be in compliance with the mutually accepted principles of the National Accord.

I would be happy to review this matter further with you or have representatives from our staff or from the staff of the principal federal employee unions meet with whoever you would designate.

July 31, 1980

I believe it is important that this matter continue to receive the priority attention of your staff and designees so that it can be settled expeditiously and the principle of equal treatment of federal employees under the pay guidelines be continued.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Hill", written in a cursive style.

President

cc: Vice President Mondale
Secretary of Labor Marshall

Blaylock
Ltr

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AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

AFFILIATED WITH THE AFL-CIO

KENNETH T. BLAYLOCK
NATIONAL PRESIDENT

JOSEPH D. GLEASON
EXECUTIVE VICE PRESIDENT

NICHOLAS J. NOLAN
NATIONAL SEC. TREAS.

1325 MASSACHUSETTS AVE., N.W. • WASHINGTON, D. C. 20005
Telephone: (202) 737-8700



IN REPLY PLEASE REFER TO:

14/Pay

August 12, 1980

Honorable Alan K. Campbell
Director, Office of Personnel
Management
1900 E Street, N. W.
Washington, D. C. 20415

Dear Mr. Campbell:

The release of this year's PATCO Survey and the Technical Staff recommendation for the adjustment it supports, only serves to reinforce the concerns I'd expressed earlier regarding the sorry state of Federal pay comparability. Historically, we have long differed over the survey makeup and methodology used to measure comparability. Two successive pay caps which have served to restrict Federal salary movement far more severely than that enjoyed by the private sector, have rendered such arguments moot. The comparability gap today is so wide by any measure; it's obvious a serious attempt is going to have to be made this year to substantially reduce this gap, or the entire comparability process is going to be damaged beyond repair and the Government is going to be virtually crippled in its ability to recruit and retain qualified employees.

One has only to look at the unweighted "pre-adjustment comparability gap" (Page 4, Table 1 of the Agent's Technical Staff release, Attachment I) to see that on a grade-for-grade comparison, all Federal grades but one are from 1.82% to 19.85% behind private sector rates and 10 of these 15 grades, are further behind than the 13.49% average increase proposed by the Agent's Technical Staff.

Even more startling, is a comparison of the rates found for all of the PATCO surveyed jobs contrasted with the current Federal average rates for those same jobs. Of the 91 jobs where this comparison can be made (Attachment II), 58 are further behind than the 13.49% figure, 29 are more than 20% behind, 12 are more than 30% behind, and incredibly, 2 would require more than a 40% increase to bring them to the level of the private sector rates.

Honorable Alan K. Campbell
August 12, 1980
Page Two

My position, and that of AFGE, has not changed from what it was two years ago. I have always maintained that we would be responsible and would accept our fair share of the burden in the fight against inflation. I made it clear last year during the discussions of the F. Y. '80 adjustment we expected comparable treatment with that afforded the private sector with respect to the limitations on Federal annual salary adjustment. We reaffirmed that position during the negotiation and finalization of the National Accord between the President and organized labor. Last year's adjustment was made in accordance with the then current Wage and Price Guidelines. In our earlier discussion, there was some confusion as to whether the equal treatment called for in the National Accord only applied for a one year period. AFL-CIO President Kirkland's July 31, 1980 letter to President Carter (Attachment III) should clarify that point.

This year's Guidelines provide for an upper limit of 9.5%. The private sector salary movement, as shown by this year's PATCO Survey, was 9.1%.

It is AFGE's position that simple justice and the need for preservation of the comparability process demands an average Federal adjustment this year of 9.1%. This, in no way, makes up for the losses suffered over the last two years, but it would maintain the relative pay position of Federal workers, it would be in consonance with the National Accord and the President's Wage Control program, and is fully justified and supported by private sector salary movement.

I, for one, recognize that we cannot preach comparability and year after year demand flat dollar or percentage across-the-board increases, no true comparability measurement produces such constant flat adjustments and we have reached the point that we have to decide whether we are going to have to ask for what sounds good to our membership or for that which would maintain some resemblance to a comparability system. In reaching this decision, I've developed a proposed (Attachment IV) payline that does the following:

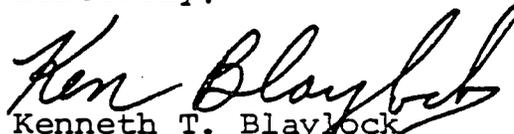
1. It provides an average increase of 9.1%.
2. It provides unrestricted increases for those employees who were exempted from last year's Wage Control program.
3. It recognizes the need for some curvature in the payline with reasonably larger increases at the bottom and the top and is lowest at the low points in the unweighted PATCO vs. Federal grade comparison.

Honorable Alan K. Campbell
August 12, 1980
Page Three

I feel this proposed payline has a great deal of merit. It is one that can be sold to the taxpayer and to the Congress. It would result in a fair and equitable Federal adjustment, and it would do no further harm to the already severely damaged comparability process.

I would urge that the Administration give this proposal most serious consideration and I assure you, Two Million Federal employees and I, anxiously await your response.

Sincerely,


Kenneth T. Blaylock
National President

Adv. Cmte.
Rpt

ADVISORY COMMITTEE ON FEDERAL PAY
1730 K STREET, N.W.
WASHINGTON, D.C. 20006

August 25, 1980

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

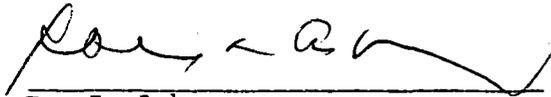
The Advisory Committee on Federal Pay has the honor of submitting to you its ninth annual report. The report incorporates our findings and recommendations with respect to the Fiscal 1981 pay adjustment for approximately 1.4 million Federal civilian employees.

The Committee hopes that our recommendations will prove useful to you in arriving at your decision.

Respectfully submitted,



Eva Robins
Member



Roy L. Ash
Member



Jerome M. Rosow
Chairman

REPORT ON THE FISCAL 1981 PAY INCREASE UNDER
THE FEDERAL STATUTORY PAY SYSTEMS

Annual Report of the
Advisory Committee on Federal Pay

August 25, 1980

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INTRODUCTION

Recommendations of the Advisory Committee on Federal Pay regarding the Fiscal 1981 salary adjustment for approximately 1.4 million civilian white-collar employees covered by the Federal Pay Comparability Act of 1970 are contained in this, the ninth annual report of the Committee. (According to that Act, members of the Armed Forces would receive the same average percentage increase as employees covered by the comparability legislation, but Congress has passed legislation which, if signed by the President, will override this automatic link for Fiscal 1981.)

The comparability legislation provides:

"It is the policy of Congress that Federal pay fixing for employees under statutory pay systems be based on the principles that--

- "(1) there be equal pay for substantially equal work;
- "(2) pay distinctions be maintained in keeping with work and performance distinctions;
- "(3) Federal pay rates be comparable with private enterprise pay rates for the same levels of work; and
- "(4) pay levels for the statutory pay systems be interrelated."

THE COMPARABILITY PAY INCREASE

According to the Federal Pay Comparability Act, Federal pay rates are to be comparable with private enterprise rates for the same levels of work. The increases that would be necessary this year fully to achieve these comparability levels are presented in table 1, column 2, and are the same as those proposed by the Pay Agent. These increases vary from 10.12 percent at Grade 2 to 20.91 percent at Grade 15. If effective, they would raise Federal white-collar payroll costs by 12.69 percent, assuming that the executive pay ceiling remains at \$50,112.50, and 13.46 percent if the ceiling were removed.

Often these costs are quoted as the average pay increase to the entire work force. Under the law, this overall average is a result, not a determinant, of pay.

Stated differently, the individual grade increases in table 1, column 2, are essential to comparability, since these individual changes are the means of arriving at comparability levels. The calculated average has no validity of itself but is simply a summary of the cost of comparability. Indeed, the propriety of giving all white-collar employees the average of the varying percentage increases that are needed to attain comparability could be questioned; the Comparability Act of 1970 refers to comparable levels of pay.

Regardless of the issue of propriety, a uniform percentage increase that results in pay levels that are not comparable with the private sector is an inefficient way to spend the government's money. It could overpay workers at some levels compared to what they would earn in the private sector and underpay others. It has perpetuated serious pay lags at middle and upper levels of responsibility, where the need for experience, skill, and managerial ability is greatest.

Under the Comparability Act, the President may set aside the full comparability increase and instead determine and invoke an alternative pay plan. It appears almost certain that he will do so this year. Therefore, this report does not include any extensive discussion of increases necessary to achieve full comparability. Rather, the Committee:

- a. Reiterates its belief in the importance of pay comparability to both Federal employees and the public.
- b. Emphasizes the fact that comparability is a matter of pay levels, grade by grade, and, hence, cannot be achieved by a uniform percentage increase in pay.
- c. Recommends (in the next section of the report) the form of an alternative plan increase.

In addition, this report draws special attention to several other matters that are related to Federal white-collar pay, including executive pay, military pay linkage, retirement costs, and white-collar labor relations.

AN ALTERNATIVE PLAN

As observed above, an alternative plan seems inevitable this year.

If one is adopted, the Committee urges that whatever increase the President decides on for Fiscal 1981 be distributed to conform as

closely as possible to private sector pay at each grade level, taking into account the comparability principles of the Act and the anti-inflation wage standards.

Description of Proposed Line

Table 1, column 3, presents the Committee's recommendations for an alternative plan, to take effect the first pay period in October 1980. The increases would vary from 7.87 percent at Grade 7 to 14.68 percent at Grade 15. Most workers in Grades 1 and 2 would receive full comparability increases--10.41 and 10.12 percent, respectively--since they are covered by the low wage exemptions of the anti-inflation standards. It would raise pay scales by 9.5 percent on average but, because of the \$50,112 executive pay ceiling, it would raise payroll costs by 9.04 percent.

The Committee's proposal would raise Federal white-collar compensation costs by about \$2.9 billion in Fiscal 1981. Full comparability for Federal white-collar workers would cost \$4.1 billion. (Both cost projections assume the executive pay ceiling remains unchanged.) In contrast to earlier years, this decision will not affect military personnel costs, on which Congress has already taken action.

The increases advocated by the Committee are designed to provide pay at each grade as close to comparability for similar work as is possible with the maximum amount of money that seems likely to be available, given the anti-inflation wage standards. While attempting to parallel private sector pay levels to the maximum amount possible, it leaves substantially greater percentage lags behind comparability at the upper than at the lower grades. A brief statistical history of the pay lag in recent years at each grade is presented in table 2. The new scales would be about 3.5 percent behind comparability at a majority of pay grades but would lag by 4.5 to 6 percent at Grades 13 to 15. In dollars, annual pay would lag by 0 at Grades 1 and 2 and from \$323 at Grade 3 to \$2,541 at Grade 15.

Some former members of the Federal Employees Pay Council oppose larger percentage increases at the upper grades, despite the fact that large gaps from comparability have built up at these grades. They claim that these gaps are not real but are simply a result of errors in measurement of pay levels at various grades caused by the technical methods used by the Pay Agent and accepted by the Committee. Their assessment appears to overlook the fact that, from 1976--the most recent year of full comparability, nonuniform, increases--to 1980, the private enterprise averages clearly increased proportionately more for the higher paying than for the lower paid occupations.

The largest Federal employee union--the American Federation of Government Employees--has recognized that increases should vary among pay grades to conform with pay comparability. The Committee is pleased that the AFGE has recognized the basic principle in the law that comparability is not served by uniform across-the-board increases. Nevertheless, we cannot accept the AFGE's proposed alternative payline, which only bows in the direction of the principle without fulfilling the real purpose of achieving meaningful, grade-by-grade comparability. Unlike the Committee's proposal, the AFGE proposal does not follow private sector pay as closely as possible, given the wage standard limits, nor does it take account of the legislative requirement of pay distinctions in keeping with work distinctions.

Need for Nonuniform Pay Increases

The Committee's urgent recommendation that increases come as close as possible to comparability levels at each grade is based on the need for such pay levels not only to satisfy the goals and principles of the Act but to improve the effectiveness of government and government management. It recognizes the fact that the problem of pay lags at upper grade levels is compounded by incentives to retire provided by liberal early retirement and CPI escalation of pensions.

While pay in Grades 13, 14, and the first step of Grade 15 increased 20.8 percent from October 1976 to October 1979, pay for comparable work in private industry rose 27 to 31 percent and CPI escalation of pensions totalled 30 percent. Small wonder that supervisors and professional employees in Grades 13, 14, and 15, with the most experience and drive, are behaving in an economic manner and accepting offers from outside the government as soon as they are eligible for retirement, usually at age 55. Then they enjoy CPI escalated pensions--and frequently second careers in the private sector. Whereas those who remain in their Federal careers pay 7 percent of their salaries for future annuities, those who leave do not make this payment and receive annuities that rise much faster than pay of the positions they left. Indeed, some pensions catch and exceed full pay.

It is supervisors and managerial employees in Grades 13 to 15--the grades hardest hit by uniform percentage increases--who are responsible for day-to-day management and supervision of Federal programs. It is they who were transferred to the merit pay system by Civil Service reform, presumably in an effort to use the pay system to motivate improved management and supervisory performance. Yet, current pay lags

at these levels keep Federal pay below market levels, even for those who perform in an exceptional manner. 1/

The effect of another uniform percentage increase on the already serious lags of pay behind comparability at the upper grades can be seen in the following table. Thus, even a uniform 9.5 percent rise in pay would leave an 11.41 percent lag at GS-15. There is a real danger that this steady growth of gaps at the upper grades will reach a magnitude that may be politically impossible to correct.

Effects of Uniform Percentage and Graduated Percentage
Increases on Pay Comparability Gap With Private
Industry, Selected Pay Grades

GS Grade	Percent difference in--				
	October 1977 uniform 7.05% increase	October 1979 uniform 7% increase	Graduated 9.5% <u>1/</u> recommended by Advisory Committee	October 1980	
				7.8%	9.5%
5 -----	Lead .71	Lag 1.86	Lag 3.4	Lag 3.62	Lag 1.92
10 -----	Lead .55	Lag 2.36	Lag 3.52	Lag 4.03	Lag 2.33
15 -----	Lag 2.80	Lag 8.43	Lag 6.23	Lag 13.11	Lag 11.41

1/ Average payroll cost, 9.05 percent.

Lead - Federal pay above private industry for grade.

EXECUTIVE PAY (PAY COMPRESSION)

Federal white-collar pay compression continues to grow and continues to undermine the motivation of employees key to the productivity of government. A total of more than 16,100 executives, including 90 percent of the Senior Executive Service, receive the same pay even though they perform at six different high levels of responsibility. The bonus provisions, which would have provided substantial relief to 50 percent of the SES executives, have only recently been reduced by Congress.

1/ The merit pay provisions of the Civil Service Reform Act will apply to all supervisors in Grades 13 to 15 beginning in Fiscal 1982; agencies can put such provisions in effect during the coming fiscal year. There is enough employee concern and uncertainty over the standards that will be used to determine merit increases and the other new ground rules for pay for GS-13, 14, and 15 without having basic pay levels for these grades remain out of line with private industry.

Now, the authorization applies to only 25 percent of the SES. The Administration has further limited the number and size of these bonuses by administrative regulation. These double-barreled actions have dampened expectations and create a poor and puzzled reaction among Federal executives. The very credibility of the program is at stake.

The Committee is deeply concerned with the impact on SES morale that is bound to result from these restrictions, coming so quickly after efforts to encourage employees to enter this service.

The fourth Quadrennial Commission on Executive, Legislative and Judicial Salaries is scheduled to make its recommendations in December of this year. Given the limited time the Commission has to complete its critical task and the importance of the issues ahead, we urge the Administration to give priority attention to assisting the Commission in carrying out its mission. It seems safe to predict that the Commission must propose substantial increases; current scales are still below those recommended in 1976 by the predecessor Commission.

The Pay Agent proposes to restrict publishing asterisked rates (estimated SES and executive salary rates that would be comparable with the private sector but that are not paid because they exceed the salary level that can be paid for these grades). The Agent proposes to publish rates only up to the rate that would be paid to Executive Level V if appropriations limitations were ended. For many of the reasons cited by the Pay Agent, we concur that rates in excess of this level should no longer be published routinely.

MILITARY PAY LINKAGE

Congress, in response to problems of the volunteer forces and current concerns over national defense, has approved a special one-time 11.7 percent military pay adjustment for the coming year. This has come after 12 years of linkage (including linkage under the Federal Pay Comparability Act of 1970) between white-collar and military pay.

This year's action could create a precedent for future separate pay actions. A permanent separation could create serious problems for the future. Certainly divorcing these pay movements would be undesirable unless it were preceded by careful development of an alternative and economically objective method for adjusting military pay. To depend on the fluctuating moods of Congress for military pay adjustments introduces political and unpredictable decision-making both as to the amount and the frequency of change. If the Administration or the Congress gives serious consideration to cutting the link between Federal white-collar and military pay, the Committee urges that it be preceded by a careful search for a better but objective military pay adjustment process. Whatever policy is adopted should serve the needs of national defense and satisfy the public interest.

RETIREMENT COSTS

A major barrier to pay comparability is the high and burgeoning cost of Federal retirement benefits, both for military and civilian employees, including the Postal Service.

Two major factors in rising Federal retirement costs have been (1) normal retirement for civilians without actuarial reduction at age 55 with 30 years' service; and (2) CPI escalation of annuities of all Federal employees, civilian or military. Liberal disability retirement provisions have also been a factor in these costs. (Stated costs have also advanced rapidly because of the requirement that the government pay a growing percentage of the interest on its unfunded retirement liabilities.)

The pension system is creating a brain drain at the highest levels of government. Many employees already perceive incentives to retire as being greater than the incentive to continue work.

It is inevitable that, in future years, continuation of present retirement policies will substantially reduce the government's ability to maintain pay comparability and, at the same time, to be fair to taxpayers and avoid excessive burdens on the economy. High pension "compensation," accompanied by lower cash compensation than the private economy offers, will seriously reduce the attractiveness of Federal Service to highly talented people eager to succeed and compete in an open system.

Recognition of the rapidly growing cost of pensions presumably has been a major force behind the Administration's proposal for total compensation comparability. We urge, however, that the relationship between pensions and pay be re-examined and the cost of pensions be faced directly, head on. Within the next few months, the Committee plans to send to the President a report that will deal more fully with this urgent problem.

LABOR RELATIONS

The major disadvantage of any alternative plan is the resultant lag behind the private sector and the distortion of Federal pay levels. In addition, such plans almost inevitably harm white-collar labor relations, since they set aside normal procedures and destroy the credibility of the system in general and of Federal employee unions in particular.

The Advisory Committee has discussed each annual pay increase with Federal employee organizations and there have presumably been some discussions of pay reform and other issues, including the annual pay increase, between government representatives and at least a few of

these organizations. However, the resignation of Federal Employees Pay Council members was a reaction to the 1978 alternative plan. There has been no on-going discussion of pay issues since that time-- this part of the pay-setting institution has become inoperative.

Resignation of the entire Pay Council has led to some informal efforts to fill the vacuum it left. Talks have occurred in a manner not contemplated by the statute and, at best, have provided uneven and erratic participation of Federal employee representatives in discussions of the pay-setting process. They may be accompanied by increased employee suspicions of the process, reduced representation of all views on an equal basis, and a deterioration of the pay-setting process established under the law.

This year the Committee has noted press references to informal discussions between one representative of the Pay Agent and one union leader. These discussions have been described in the press as "negotiations." While the Committee applauds increased communication and exchange of information on Federal pay, we believe that anything that short circuits the comparability process should be viewed with caution.

We believe that it would be highly desirable for the President to initiate efforts to reconstitute the Pay Council, especially since this year there seems to be somewhat greater awareness, if not acceptance, on the part of Federal employee unions of the inevitability of an alternative plan. Hopefully, this may translate into a willingness to reopen formal discussions in the coming months.

RECOMMENDATIONS

In summary, the Committee recommends that:

1. If a full comparability pay increase is put into effect, it should vary from 10.12 percent at Grade 2 to 20.91 percent at Grade 15, as recommended by the President's Pay Agent. This would have the effect of increasing Federal white-collar payroll costs by 12.69 percent (13.46 percent if the executive pay ceiling were removed).
2. In the event that the President must impose an alternative plan, he consider a salary scale increase
(a) averaging about 9.5 percent, consistent with the wage standards of the anti-inflation program applicable to private sector employees, and raising payroll costs

9.04 percent, but (b) maintaining as much of the comparability principle as possible by providing increases varying from 7.87 percent at Grade 7 to 14.68 percent at Grade 15. (Most workers in Grades 1 and 2 would receive comparability increases--10.41 and 10.12 percent, respectively.)

3. Although Congress approved a special one-time 11.7 percent military pay adjustment instead of continuing the linkage to the Comparability Pay Act, this should not constitute a precedent for future separate pay actions for the military services. If any serious consideration is given by the President or the Congress to cutting the link to this Act, then the Committee urges that this be preceded by a careful study of whether there is a better but equally objective military pay adjustment process which serves the national interest as well.
4. The President give priority attention to the mission of the Quadrennial Commission on Executive, Legislative and Judicial Salaries.
5. The explosion of Federal pension costs receive urgent attention by the President and the Congress. The runaway pension costs are having an adverse effect on Federal pay, taxpayer perceptions of Federal employment conditions, and on the long-term cost of government. The annuity-pay imbalance has accelerated the brain drain on managerial and professional talent from the government.
6. The President initiate prompt action to reinstate the Federal Employees Pay Council as an important instrumentality in the comparability process.

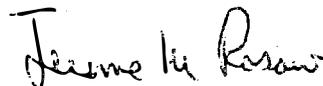
Respectfully submitted,



Eva Robins
Member



Roy L. Ash
Member



Jerome M. Rosow
Chairman

Table 1. Increases in General Schedule Rates Recommended for Full Comparability and Recommended for Alternative Plan Conforming With Voluntary Pay Standards, October 1980

GS Grade (1)	Required for full comparability (2)	ACFP recommendation for an alternative plan (3)	Gap behind comparability resulting from alterna- tive plan recommendation (4)
1 -----	10.41	10.41	0
2 -----	10.12	10.12	0
3 -----	12.15	8.53	3.62
4 -----	11.72	8.23	3.49
5 -----	11.42	8.02	3.40
6 -----	11.25	7.90	3.35
7 -----	11.21	7.87	3.34
8 -----	11.29	7.93	3.36
9 -----	11.5	8.07	3.43
10 -----	11.83	8.31	3.52
11 -----	12.3	8.64	3.66
12 -----	13.61	9.56	4.05
13 -----	15.47	10.86	4.61
14 -----	17.89	12.56	5.33
15 -----	20.91	14.68	6.23
Average payroll increase			
Assuming \$60,800 Level V salary rate -----	13.46	9.5	3.96
Assuming \$50,112.50 Level V salary rate -----	12.69	9.04	3.65

Table 2. Percentage Lag of General Schedule Pay Behind Comparability
 With the Private Sector, by Grade, October 1977-79, and
 Projected for 1980

GS Grade	Percentage lag of rates in effect behind comparability—				Percentage point change in gap from previous year 1/		
	Oct. 1977	Oct. 1978	Oct. 1979	Oct. 1980, proposed by Advisory Committee	Oct. 1978	Oct. 1979	Proposed Oct. 1980
1 -----	.03	.65	0	0	+.62	-.65	0
2 -----	L.23	.64	0	0	+.87	-.64	0
3 -----	L.44	.68	2.21	3.62	+1.12	+.153	+1.41
4 -----	L.60	.77	2.0	3.49	+1.37	+1.23	+1.49
5 -----	L.71	.90	1.86	3.40	+1.61	+.96	+1.54
6 -----	L.77	1.08	1.80	3.35	+1.85	+.72	+1.55
7 -----	L.79	1.30	1.82	3.34	+2.09	+.52	+1.52
8 -----	L.76	1.57	1.92	3.36	+2.33	+.35	+1.44
9 -----	L.68	1.89	2.1	3.43	+2.57	+.21	+1.33
10 -----	L.55	2.25	2.36	3.52	+2.80	+.11	+1.16
11 -----	L.38	2.67	2.70	3.66	+3.05	+.03	+.96
12 -----	.12	3.64	3.62	4.05	+3.52	-.02	+.43
13 -----	.81	4.81	4.88	4.61	+4.00	+.07	-.27
14 -----	1.71	6.18	6.47	5.33	+4.47	+.29	-1.14
15 -----	2.80	7.77	8.43	6.23	+4.97	+0.66	-2.20

NOTE: L indicates Federal pay leads private industry pay.
 + indicates increase in gap.
 - indicates decrease in gap.

APPENDIX A

ORGANIZATIONS DISCUSSING THE PRESIDENT'S AGENT'S REPORT
WITH THE ADVISORY COMMITTEE ON FEDERAL PAY

Resigned Members of the Federal Employees Pay Council

American Federation of
Government Employees--
George Hobt

Public Employee Department,
AFL-CIO--
Richard Galleher

National Treasury Employees
Union
Jim Spillane for Vincent L.
Connery

National Federation of Federal
Employees--
James M. Peirce
David Gusky

Other Employee Organizations

Association of Civilian
Technicians--
Vincent J. Paterno

Naval Civilian Administrators
Association 1/
J. Hartley Bowen, Jr.

Association of Government
Accountants--
Joseph P. Welsch

The Non-Commissioned Officers
Association of the United
States of America--
C. A. McKinney
Richard W. Johnson, Jr.

The Federal Professional
Association--
Viola Mae Young
George E. Auman
Edwin D. Becker

Organization of Professional
Employees of the U.S. Depart-
ment of Agriculture--
Walter John

The National Association of
Federal Veterinarians--
R. E. Omohundro

1/ Affiliated with The Federal Professional Association.

Pay Agent
Rpt

MEMORANDUM FOR THE PRESIDENT

Subject: Annual report on comparability for
Federal statutory pay systems

In accordance with the provisions of section 5305 of title 5, United States Code, and section 201 of Executive Order 11721, as amended by Executive Order 12004, we submit herewith our report on the adjustments needed in Federal statutory pay rates in order to achieve comparability with 1980 private enterprise pay rates.

After comparing Federal and private enterprise pay rates and considering the recommendations of employee organizations and unions, we have determined that the adjustment required would be a graduated increase ranging from a low of 10.12 percent at GS-2 to 20.91 percent at GS-15. The overall average percentage increase would be 13.46 percent. The actual increase in the General Schedule payroll, because of the compression caused by the statutory ceiling, would be 12.69 percent.

We are furnishing a copy of this report to the Advisory Committee on Federal Pay so that it can carry out its statutory responsibilities in a timely manner.



Ray Marshall
Secretary of Labor



James T. McIntyre
Director
Office of Management and Budget



Alan K. Campbell
Director
Office of Personnel Management

COMPARABILITY OF THE FEDERAL STATUTORY PAY SYSTEMS
WITH PRIVATE ENTERPRISE PAY RATES

ANNUAL REPORT
OF
THE PRESIDENT'S PAY AGENT
1980

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REPORT OF THE PRESIDENT'S PAY AGENT ON
COMPARABILITY OF THE FEDERAL STATUTORY PAY SYSTEMS
WITH 1980 PRIVATE ENTERPRISE PAY RATES

Introduction

Under section 5301 of title 5, United States Code, pay rates for employees under the Federal statutory pay systems are fixed in accordance with the principles that--

- (1) there be equal pay for substantially equal work;
- (2) pay distinctions be maintained in keeping with work and performance distinctions;
- (3) Federal pay rates be comparable with private enterprise pay rates for the same levels of work; and
- (4) pay levels for the statutory pay systems be interrelated.

In order to ensure comparability with private enterprise pay rates, section 5305 of title 5, United States Code, authorizes the President to annually adjust the pay rates of the statutory pay systems.

Each year, the President's Pay Agent is required to prepare a report to the President for his consideration in determining this pay adjustment. Section 5305 directs that this report is to--

- (1) compare the rates of pay of the statutory pay systems with the rates of pay for the same levels of work in private enterprise on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics;
- (2) make recommendations for appropriate adjustments in rates of pay; and
- (3) include the views and recommendations of the Federal Employees Pay Council and employee organizations not represented on the Council.

Under section 201 of Executive Order 11721, as amended by Executive Orders 12004 and 12107, the Secretary of Labor, the Director of the Office of Management and Budget, and the Director of the Office of Personnel Management serve as the President's Pay Agent. We have prepared this report in fulfillment of our responsibility under section 5305 of title 5, United States Code.

1980 Bureau of Labor Statistics Survey Results

1. Industrial and Establishment Size Coverage

The scope of the 1980 National Survey of Professional, Administrative, Technical, and Clerical Pay (PATC Survey) was the same as last year's in terms of both the industries and the sizes of establishments included.

2. Occupational Coverage

Each year a joint OPM/BLS team reviews selected PATC Survey definitions to ensure their equivalency to General Schedule standards, and to review their adequacy in describing private enterprise work. The FY 1979 review studied the PATC definitions for Accountant, Auditor, and Chief Accountant. The three definitions were modified to facilitate BLS' matching, and a level equivalent to GS-13 was added to the Accountant definition.

New Factor Evaluation System (FES) standards were issued in January 1979 for Secretary, Typist, and Stenographer, requiring a review of the corresponding definitions. Since the coverage of the Secretary standard was broadened, the definition was revised to reflect necessary changes and to exclude the GS-3 level introduced by the new standard. (In view of the June 1981 date for agency implementation of the standard, staff is developing further needed changes to the Secretary definition. It is anticipated that all OPM/BLS developmental work will be completed so that a new definition will be used for the 1981 Survey.) The Typist and Stenographer definitions also required clarifications to reflect aspects of the new FES standard. All the above six PATC jobs were successfully surveyed including the new Accountant VI level and produced data publishable by BLS criteria.

Of the remaining 16 PATC occupations surveyed, data were not published for a number of jobs due to the limited numbers of workers found in private industry. These include Chief Accountant V, Director of Personnel V, and Chemist VIII. Purchasing Clerk I, II, and III, equivalent to GS-4, 5, and 6, did not produce publishable data for the second year since its introduction. BLS has identified a number of problems that should be resolved before the 1981 Survey. Otherwise, the jobs successfully surveyed last year again produced data which met the publishability standards of the Bureau of Labor Statistics. In addition, two jobs, which were not publishable in 1979, Computer Operator VI and Job Analyst I, proved publishable this year.

3. FY'80 Survey Scope Expansion Tests

During FY'80 OPM/BLS staff conducted preliminary tests to expand the industrial scope of the survey, using the current PATC definitions along with drafts for approximately seven new occupations. Initial feasibility testing was directed to lowering establishment sizes (to a minimum size of 20 employees) and surveying industries not now covered--schools, hospitals, State and local governments, agricultural services, fisheries, and forestry. Visits were made to 36 private enterprise establishments and 44 government establishments.

Visits to smaller establishments showed a high proportion of matches to clerical and technical jobs with relatively few matches to administrative and professional jobs. Hospitals and schools showed promise for eventual surveyability providing new occupational definitions are tested and finalized. Visits to State and local government establishments resulted in 17,541 matches, representing 7.9 percent of the total employment.

All in all, the current PATC definitions appeared to be well suited to smaller size establishments and to new industry sectors. Significant, but manageable problems with some of the PATC definitions were found in the government setting and considerable additional planning would be needed to adequately prepare BLS for eventual data collection. Further testing of new industries and lower establishment sizes is needed; of course, the addition of State and local governments to the comparability process requires legislation.

This preliminary testing of PATC definitions in new sectors did surface a number of technical changes to some definitions to improve the matching process. Those changes that would improve matching in the current Survey coverage will be incorporated into the 1981 Survey.

Comparison of Rates of Pay and the Distributional Pattern

Table 1 in Appendix A shows the average private enterprise salaries reported in the PATC Survey this year. This table also shows the number of General Schedule employees whose jobs are equivalent to each Survey job and the PATCO-weighted grade averages which become the input data used to compute the private enterprise payline.

Table 2 in Appendix A presents a summary of the computations that produce the graduated pattern of increases that we have determined are necessary to achieve comparability this year.

The reason that the increases proposed for GS-1 and GS-2 appear to be slightly "out of line" with the others is that most of the employees at these grades received a full comparability adjustment last year, when other GS employees were limited to 7.0 percent. Consequently, the rates for GS-1 and GS-2 require less of an increase this year to achieve full comparability.

The overall average percentage increase for employees under the General Schedule would be 13.46 percent, and this is the figure that would be used to adjust Executive Schedule rates and the compensation of the uniformed services. However, it presently appears highly likely that the Congress will hold the payable rates for the Executive Schedule at their current levels, and that General Schedule pay would thus remain limited to \$50,112.50. Under these circumstances, the actual General Schedule payroll increase would be 12.69 percent.

The graduated increase pattern is extremely steep this year, in fact more so than ever before. This is because private sector pay for work equivalent to our upper grades has for some years been exhibiting a generally higher rate of growth than that corresponding to our lower grades, as will be seen in the following table:

Private Industry Growth Rates
(As Shown By PATC Survey)

<u>Equivalent GS Grade</u>	<u>Increase March 1976 to March 1980</u>
1	31.1%
2	37.8
3	36.8
4	34.3
5	33.5
6	36.5
7	34.0
8	36.9
9	34.7
10	(Not Surveyed)
11	34.4
12	40.6
13	39.6
14	46.0
15	39.4

It will be seen that the four highest rates of salary change have occurred at work levels corresponding to GS-12, 13, 14, and 15. Yet adjustments at these grades have not reflected this private sector trend because the last three annual adjustments have provided the same percentage increase at each General Schedule grade (except, as noted above, at GS-1 and GS-2 last year). The correction of this disparity between the "slope" of the Federal and private sector structures would require the sharply graduated increase pattern shown in table 2.

Rates for GS-16, 17, and 18

This year we need to draw your attention particularly to a very serious problem which has arisen with respect to the determination of "comparability" rates for upper level Federal executives.

The problem is largely the result of the interaction of various provisions of law and convention which are, to some extent, in conflict with each other.

Positions in private industry which correspond to the upper executive levels of Federal service have never been surveyable by the job-matching technique used in the PATC Survey. Consequently, the so-called "comparability" rates for grades 16, 17, and 18 have not been set by a determination of what comparability would be at these levels, but instead by simply extrapolating the pattern of the structure which comparability produces at grades 1 through 15.

Many of the resultant rates have seldom been actually payable because they are limited to the rate payable for level V of the Executive Schedule. The latter can be adjusted every four years pursuant to the recommendations of the Commission on Executive, Legislative, and Judicial Salaries, and may be adjusted in the intervening years under 5 U.S.C. 5318. Either of these adjustment processes can be, and has been, set aside by specific acts of Congress.

The result has been the continued publication of "asterisked" rates, rates which are not legally payable, which are never received by the incumbents, and which bear no relationship to the realities of upper level compensation in the Federal service. Even when 5 U.S.C. 5318 is allowed to operate, the disparity between published and payable rates can increase because that law raises level V by the overall average increase of the General Schedule, and the indicated increases for GS-16 through GS-18 are usually significantly higher than the overall average, because of the general steepening of the private sector "slope" which we cited earlier.

We do not believe that the continued publication of recommended "comparability" rates for levels of executive responsibility which are not surveyed in private industry is either responsible or realistic on the part of the President's Pay Agent. We believe that the rate for GS-18 should be officially established at the limit set by 5 U.S.C. 5308--the scheduled rate for level V of the Executive Schedule--and that it should be subsequently adjusted only when the level V rate is increased by either of the specific procedures which Congress has established for its adjustment. These lie outside the purview of the President's Pay Agent.

The rates for GS-16 and GS-17 are set at equally spaced intervals between the recommended comparability rate for GS-15 and the GS-18 rate set by reference to level V. Within-grade increments for GS-15, 16, and 17 are calculated in the usual way until they reach the GS-18 rate, at which point they are established at that figure.

Related Pay Systems

Table 3 in Appendix A shows the General Schedule pay rates for GS-1 through GS-15 which we have determined will provide comparability with private enterprise pay rates as shown by the 1980 PATC Survey. The rates for GS-16, 17, and 18 have been calculated by the process just described.

Table 4 shows the similarly adjusted pay rates for the schedules in section 4107 of title 38, United States Code, relating to physicians, dentists, podiatrists, optometrists, nurses, and certain other employees in the Department of Medicine and Surgery of the Veterans Administration. Extrapolated "comparability" rates are not provided for those positions on these schedules which lie above the established General Schedule linkage points. Specific provisions of law limit the actual payment for these positions to the Executive Schedule rates which are indicated.

Table 5 shows the adjusted pay rates for the schedules in section 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 22 U.S.C. 870(a)), relating to Foreign Service officers and staff. The pay rates in tables 4 and 5 are related to the pay rates of the General Schedule in the same way they have been in the past.

In last year's report, we mentioned the administration's proposed legislation (the Foreign Service Act of 1979, introduced as H.R. 4674 and S. 1450) which would provide a new single Foreign Service pay schedule in place of the two existing schedules. An interagency task force chaired by OMB has considered how this new schedule should be linked to the General Schedule and has forwarded comment and a report to the respective Congressional committees. Any changes in linkages that may be needed as a result of the pending legislation or as a result of the task force findings will be discussed in next year's report.

In addition to the directly related statutory systems, the rates of pay for the Executive Schedule and for Members of Congress and the Judiciary would be adjusted by the overall average General Schedule percentage increase under Public Law 94-82. The salary range for the Senior Executive Service would extend from the new rate for the first step of GS-16 to the new rate for level IV of the Executive Schedule.

Costs

There has been some legislative action which would keep the statutory salary ceiling at \$50,112.50, the current paid rate for level V of the Executive Schedule. Assuming that this limit will remain in effect, the annual cost of implementing the pay adjustments recommended in this report for the 1.4 million civilian employees under the statutory systems is estimated (in millions) as follows:

<u>Statutory Pay System</u>	<u>Basic Pay</u>	<u>Fringe Benefits and Premium Pay</u>	<u>Total*</u>
General Schedule	\$3,542.5	\$411.6	\$3,954.2
Department of Medicine and Surgery schedules	75.6	13.1	88.7
Foreign Service schedules	43.4	5.8	49.2
Total*	\$3,661.5	\$430.5	\$4,092.0

*Because of rounding, individual items may not sum to totals.

Under section 1009 of title 37, United States Code, members of the uniformed services receive an adjustment in their basic pay and certain allowances comparable to the overall average General Schedule adjustment. On that basis we estimate the cost of this military pay adjustment for the uniformed services to be \$3,774.2 million. However, there is before Congress a proposal to give a different increase to military personnel for this year.

In addition, certain other employees normally receive pay adjustments corresponding to General Schedule adjustments, either by administrative action or a mechanism provided by law. We estimate the cost of these pay adjustments to be \$143.3 million.

Therefore, we estimate the total annualized cost of the comparability pay adjustment recommended herein to be \$8,009.6 million.

Views and Recommendations of Federal Unions and Employee Organizations

The views and recommendations of the former members of the Federal Employees Pay Council appear at Appendix B. Those of the other unions and employee organizations appear at Appendix C.

On July 28, our representatives met with these organizations, and furnished them with the payline computation and staff recommendation. Our representatives summarized the elements in this year's comparability determination and then gave the organization officials an opportunity to present their questions and comments.

Of the 24 groups invited, 16 attended, and 10 of the latter subsequently submitted their views in writing. [The former members of the FEPC responded jointly.]

The employee organizations argued strongly against a "pay cap" (alternative plan), and believe the full comparability adjustment should be granted this year. The majority of the organizations agree with the rationale of the graduated pattern which we recommend to achieve comparability. In fact, if a pay cap is instituted, many believe that the principle of comparability requires that the adjustment should remain proportionate at each grade.

Several groups expressed concern about the widening comparability gap in the higher grades. They believe that increases, of a uniform percentage combined with the statutory pay ceiling on General Schedule and related salaries, constitute a threat to the Government's ability to attract highly qualified professional employees.

The former FEPC members reiterated their opposition to the statistical methodology used to determine comparability.

Appendix A

Tables

Table 1 - 1980 Private Enterprise Rates and PATCO
Weighting Calculation

Table 2 - Computation of General Schedule Pay Rates

Table 3 - General Schedule

Table 4 - Department of Medicine and Surgery Schedules

Table 5 - Foreign Service Schedules

Table 1

1980 Private Enterprise Rates and PATCO Weighting Calculation

<u>GS-1 Clerical Category</u>	Average Salary	<u>Federal Employment Weight</u>	
		<u>Number</u>	<u>Percent</u>
File Clerk	\$7,889	98	67.08
Messenger	8,561	48	32.92
Total Category	8,110	2,007	100.00
<u>GS-1 Grade Total</u>	<u>8,110</u>	<u>2,007</u>	
<u>GS-2 Technical Category</u>		<u>Federal Employment Weight</u>	
		<u>Number</u>	<u>Percent</u>
Drafter I	10,216	42	100.00
Total Category	10,216	2,366	10.05
<u>Clerical Category</u>		<u>Federal Employment Weight</u>	
		<u>Number</u>	<u>Percent</u>
Accounting Clerk I	8,806	42	0.31
File Clerk II	8,829	1,329	9.96
Key Entry Operator I	9,981	4,389	32.91
Typist I	9,161	7,576	56.81
Total Category	9,397	21,175	89.95
<u>GS-2 Grade Total</u>	<u>9,479</u>	<u>23,541</u>	
<u>GS-3 Technical Category</u>		<u>Federal Employment Weight</u>	
		<u>Number</u>	<u>Percent</u>
Drafter II	11,689	109	17.72
Engineering Technician I	12,228	506	82.28
Total Category	12,132	10,753	12.31
<u>Clerical Category</u>		<u>Federal Employment Weight</u>	
		<u>Number</u>	<u>Percent</u>
Accounting Clerk II	10,377	710	1.55
File Clerk III	11,026	4,393	9.58
General Stenographer	11,899	1,870	4.08
Key Entry Operator II	11,723	1,870	15.67
Personnel Clerk (Emp.) I	9,591	631	1.38
Typist II	11,010	31,053	67.74
Total Category	11,130	76,564	87.69
<u>GS-3 Total</u>	<u>11,254</u>	<u>87,317</u>	

<u>GS-4</u> <u>Technical Category</u>	Average	<u>Federal Employment Weight</u>	
	<u>Salary</u>	<u>Number</u>	<u>Percent</u>
Accounting Clerk III	\$12,328	2,818	64.12
Computer Operator I	10,164	180	4.10
Drafter III	14,308	226	5.14
Engineering Technician II	14,212	916	20.84
Personnel Clerk (Emp.) II	11,529	255	5.80
Total Category	12,687	35,647	22.08
<u>Clerical Category</u>			
Accounting Clerk III	12,328	807	3.60
Personnel Clerk (Emp.) II	11,529	2,291	10.22
Secretary I	11,296	7,074	31.54
Senior Stenographer	13,876	12,256	54.65
Total Category	12,767	125,782	77.92
<u>GS-4 Grade Total</u>	<u>12,749</u>	<u>161,429</u>	
<u>GS-5</u> <u>Professional Category</u>			
Accountant I	15,149	301	17.75
Auditor I	14,858	714	42.14
Chemist I	16,200	94	5.56
Engineer I	19,411	585	34.55
Total Category	16,557	4,013	2.29
<u>Administrative Category</u>			
Buyer I	14,861	399	86.72
Job Analyst I	16,056	61	13.28
Total Category	15,020	9,525	5.42
<u>Technical Category</u>			
Accounting Clerk IV	15,358	6,054	49.00
Buyer I	14,861	1,796	14.54
Computer Operator II	12,016	1,585	12.83
Drafter IV	17,215	545	4.41
Engineering Technician III	16,756	1,391	11.26
Personnel Clerk (Emp.) III	12,896	985	7.97
Total Category	14,900	53,289	30.35
<u>Clerical Category</u>			
Accounting Clerk IV	15,358	1,169	3.72
Personnel Clerk (Emp.) III	12,896	2,956	9.41
Secretary II	12,611	27,295	86.87
Total Category	12,740	108,762	61.94
<u>GS-5 Grade Total</u>	<u>13,606</u>	<u>175,589</u>	

	Average Salary	Federal Number	Employment Weight Percent
<u>GS-6 Technical Category</u>			
Computer Operator III	\$12,957	1,361	52.15
Personnel Clerk (Emp.) IV	15,726	1,248	47.85
<u>Total Category</u>	14,282	31,207	37.89
<u>Clerical Category</u>			
Secretary III	14,018	17,958	100.00
<u>Total Category</u>	14,018	51,164	62.11
<u>GS-6 Grade Total</u>	<u>14,118</u>	<u>82,371</u>	
<u>GS-7 Professional Category</u>			
Accountant II	18,427	827	14.63
Auditor II	18,002	661	11.71
Chemist II	19,571	388	6.87
Engineer II	21,285	2,241	39.68
Public Accountant I	14,958	1,531	27.11
<u>Total Category</u>	18,649	13,955	10.93
<u>Administrative Category</u>			
Buyer II	18,467	712	84.96
Job Analyst II	16,795	126	15.04
<u>Total Category</u>	18,215	24,415	19.12
<u>Technical Category</u>			
Buyer II	18,467	756	8.99
Computer Operator IV	16,050	2,456	29.22
Drafter V	21,690	393	4.68
Engineering Technician IV	19,547	3,164	37.64
Personnel Clerk (Emp.) V	19,837	1,636	19.46
<u>Total Category</u>	18,585	72,778	57.01
<u>Clerical Category</u>			
Secretary IV	15,382	8,297	100.00
<u>Total Category</u>	15,382	16,513	12.94
<u>GS-7 Grade Total</u>	<u>18,107</u>	<u>127,661</u>	

<u>GS-8</u> <u>Technical Category</u>	<u>Average Salary</u>	<u>Federal Employment Number</u>	<u>Weight Percent</u>
Computer Operator V	\$18,454	1,215	100.00
<u>Total Category</u>	18,454	19,145	81.36
 <u>Clerical Category</u>			
Secretary V	17,132	2,538	100.00
<u>Total Category</u>	17,132	4,385	18.64
 <u>GS-8 Grade Total</u>	<u>18,208</u>	<u>23,530</u>	
 <u>GS-9 Professional Category</u>			
Accountant III	21,299	1,132	14.55
Attorney I	20,911	481	6.19
Auditor III	22,026	905	11.64
Chemist III	23,373	790	10.16
Engineer III	24,160	3,085	39.68
Public Accountant II	16,689	1,381	17.77
<u>Total Category</u>	21,887	31,074	23.40
 <u>Administrative Category</u>			
Buyer III	22,904	995	80.57
Job Analyst III	21,484	240	19.43
<u>Total Category</u>	22,628	50,602	38.10
 <u>Technical Category</u>			
Computer Operator IV	19,511	1,405	14.25
Engineering Technician V	22,323	8,454	85.75
<u>Total Category</u>	21,922	51,132	38.50
 <u>GS-9 Grade Total</u>	<u>22,183</u>	<u>132,808</u>	

<u>GS-11 Professional Category</u>	Average	Federal Employment Weight	
	Salary	Number	Percent
Accountant IV	\$26,158	1,816	8.77
Attorney II	25,549	1,412	6.82
Auditor IV	26,782	1,362	6.57
Chemist IV	27,681	1,681	8.15
Chief Accountant I	28,347	454	2.19
Engineer IV	28,486	10,118	48.84
Public Accountant III	19,806	3,872	18.69
<u>Total Category</u>	26,279	48,721	37.96
 <u>Administrative Category</u>			
Buyer IV	27,777	685	42.13
Job Analyst IV	26,315	779	47.94
Personnel Director I	24,719	161	9.92
<u>Total Category</u>	26,773	79,616	62.04
<u>GS-11 Grade Total</u>	<u>26,585</u>	<u>128,337</u>	
 <u>GS-12 Professional Category</u>			
Accountant V	31,937	2,302	6.46
Attorney III	33,034	2,725	7.64
Chemist V	33,793	1,749	4.90
Chief Accountant II	32,662	987	2.77
Engineer V	33,141	24,028	67.38
Public Accountant IV	23,900	3,871	10.85
<u>Total Category</u>	32,071	62,636	43.70
 <u>Administrative Category</u>			
Personnel Director II	31,832	284	100.00
<u>Total Category</u>	31,832	80,693	56.30
<u>GS-12 Grade Total</u>	<u>31,936</u>	<u>143,329</u>	

<u>GS-13 Professional Category</u>	<u>Average Salary</u>	<u>Federal Employment Weight</u>	
		<u>Number</u>	<u>Percent</u>
Accountant VI	\$40,292	990	3.51
Attorney IV	40,864	3,331	11.83
Chief Accountant III	41,092	990	3.51
Chemist VI	38,137	1,592	5.65
Engineer VI	38,259	21,263	75.49
<u>Total Category</u>	38,731	53,805	50.49
<u>Administrative Category</u>			
Personnel Director III	37,816	523	100.00
<u>Total Category</u>	37,816	52,762	49.51
<u>GS-13 Grade Total</u>	<u>38,278</u>	<u>106,567</u>	
<u>GS-14 Professional Category</u>			
Attorney V	49,864	3,334	22.13
Chemist VII	45,883	782	5.19
Chief Accountant IV	50,073	719	4.77
Engineer VII	43,242	10,228	67.90
<u>Total Category</u>	45,171	28,076	49.02
<u>Administrative Category</u>			
Personnel Director IV	49,730	302	100.00
<u>Total Category</u>	49,730	29,199	50.98
<u>GS-14 Grade Total</u>	<u>47,495</u>	<u>57,275</u>	
<u>GS-15 Professional Category</u>			
Attorney VI	60,641	2,574	36.70
Engineer VIII	50,079	4,439	63.30
<u>Total Category</u>	53,956	15,628	100.00
<u>GS-15 Grade Total</u>	<u>53,956</u>	<u>15,628</u>	

Table 2

Computation of General Schedule Pay Rates

<u>Grade</u>	<u>Private Enterprise Average Salaries</u>	<u>Private Enterprise Payline</u>	<u>General Schedule Average Salaries</u>	<u>General Schedule Payline</u>	<u>Current Step 1 Rates</u>	<u>Increases Needed For Comparability</u>	<u>Proposed Step 1 Rates</u>
GS-1	\$8,110	\$8,668	\$7,122	\$7,644	\$7,210	10.41%	\$7,960
2	9,479	9,789	8,125	8,685	8,128	10.12	8,951
3	11,254	11,030	9,551	9,835	8,952	12.15	10,039
4	12,749	12,401	11,148	11,100	10,049	11.72	11,227
5	13,606	13,912	12,733	12,485	11,243	11.42	12,527
6	14,118	15,571	14,419	13,996	12,531	11.25	13,942
7	18,107	17,390	15,723	15,637	13,925	11.21	15,486
8	18,208	19,377	17,888	17,411	15,423	11.29	17,164
9	22,183	21,543	19,105	19,322	17,035	11.50	18,993
10	-----	23,898	21,259	21,370	18,760	11.83	20,979
11	26,585	26,451	23,324	23,555	20,611	12.30	23,145
12	31,936	32,188	27,947	28,332	24,703	13.61	28,066
13	38,278	38,821	33,583	33,620	29,375	15.47	33,919
14	47,495	46,402	39,626	39,361	34,713	17.89	40,922
15	53,956	54,971	47,116	45,465	40,832	20.91	49,368

NOTES: The overall average increase in the General Schedule would be 13.46 percent; however, because no rate may be paid in excess of the level V ceiling, the actual payroll increase would be 12.69 percent.

All figures rounded independently; actual computations utilized a high degree of precision.

Table 3

General Schedule Rates to Provide
Comparability with 1980 Private Enterprise Pay

	1	2	3	4	5	6	7	8	9	10
GS-1	\$7,960	\$8,225	\$8,490	\$8,755	\$9,020	\$9,285	\$9,550	\$9,815	\$10,080	\$10,345
2	8,951	9,249	9,547	9,845	10,143	10,441	10,739	11,037	11,335	11,633
3	10,039	10,374	10,709	11,044	11,379	11,714	12,049	12,384	12,719	13,054
4	11,227	11,601	11,975	12,349	12,723	13,097	13,471	13,845	14,219	14,593
5	12,527	12,945	13,363	13,781	14,199	14,617	15,035	15,453	15,871	16,289
6	13,942	14,407	14,872	15,337	15,802	16,267	16,732	17,197	17,662	18,127
7	15,486	16,002	16,518	17,034	17,550	18,066	18,582	19,098	19,614	20,130
8	17,164	17,736	18,308	18,880	19,452	20,024	20,596	21,168	21,740	22,312
9	18,993	19,626	20,259	20,892	21,525	22,158	22,791	23,424	24,057	24,690
10	20,979	21,678	22,377	23,076	23,775	24,474	25,173	25,872	26,571	27,270
11	23,145	23,917	24,689	25,461	26,233	27,005	27,777	28,549	29,321	30,093
12	28,066	29,002	29,938	30,874	31,810	32,746	33,682	34,618	35,554	36,490
13	33,919	35,050	36,181	37,312	38,443	39,574	40,705	41,836	42,967	44,098
14	40,922	42,286	43,650	45,014	46,378	47,742	49,106	50,470*	51,834*	53,198*
15	49,368	51,014*	52,660*	54,306*	55,952*	57,598*	59,244*	60,800*	60,800*	60,800*
16	53,179*	54,952*	56,725*	58,498*	60,271*	60,800*	60,800*	60,800*	60,800*	60,800*
17	56,989*	58,889*	60,789*	60,800*	60,800*					
18	60,800*									

* The rate of basic pay payable for employees at these rates is limited to the rate payable for level V of the Executive Schedule, which is expected to remain at \$50,112.50.

Table 4

Department of Medicine and Surgery Schedules

	Minimum	Maximum
<u>Section 4103 Schedule</u>		
Chief Medical Director	\$67,300 <u>1/</u>	(single rate)
Deputy Chief Medical Director	64,100 <u>2/</u>	(single rate)
Associate Deputy Chief Medical Director	60,800*	(single rate)
Assistant Chief Medical Director	60,800*	(single rate)
Medical Director	56,989*	\$60,800*
Director of Nursing Service	56,989*	60,800*
Director of Podiatric Service	53,179*	60,800*
Director of Chaplain Service	53,179*	60,800*
Director of Pharmacy Service	53,179*	60,800*
Director of Dietetic Service	53,179*	60,800*
Director of Optometric Service	53,179*	60,800*
<u>Physician and Dentist Schedule</u>		
Director grade	\$53,179*	\$60,800*
Executive grade	51,273*	60,800*
Chief grade	49,368	60,800*
Senior grade	40,922	53,198*
Intermediate grade	33,919	44,098
Full grade	28,066	36,490
Associate grade	23,145	30,093
<u>Clinical Podiatrist and Optometrist Schedule</u>		
Chief grade	\$49,368	\$60,800*
Senior grade	40,922	53,198*
Intermediate grade	33,919	44,098
Full grade	28,066	36,490
Associate grade	23,145	30,093
<u>Nurse Schedule</u>		
Director grade	\$49,368	\$60,800*
Assistant Director grade	40,922	53,198*
Chief grade	33,919	44,098
Senior grade	28,066	36,490
Intermediate grade	23,145	30,093
Full grade	18,993	24,690
Associate grade	16,306	21,202
Junior grade	13,942	18,127

1/ The rate of basic pay payable is limited to the rate payable for level III of the Executive Schedule, which is expected to remain at \$55,387.50.

2/ The rate of basic pay payable is limited to the rate payable for level IV of the Executive Schedule, which is expected to remain at \$52,750.

* The rate of basic pay payable is limited to the rate payable for level V of the Executive Schedule, which is expected to remain at \$50,112.50.

Table 5

Foreign Service Schedules

	1	2	3	4	5	6	7
FSS-01	\$59,353*	\$60,800*	\$60,800*				
02	52,993*	54,759*	56,525*	\$58,291*	\$60,057*	\$60,800*	\$60,800*
03	44,122	45,593	47,064	48,535	50,006	51,477*	52,948*
04	33,919	35,050	36,181	37,312	38,443	39,574	40,705
05	26,828	27,722	28,616	29,510	30,404	31,298	32,192
06	21,785	22,511	23,237	23,963	24,689	25,415	26,141
07	18,143	18,748	19,353	19,958	20,563	21,168	21,773
08	15,486	16,002	16,518	17,034	17,550	18,066	18,582

	1	2	3	4	5	6	7	8	9	10
FSS-01	\$44,122	\$45,593	\$47,064	\$48,535	\$50,006	\$51,477*	\$52,948*	\$54,419*	\$55,890*	\$57,361*
02	33,919	35,050	36,181	37,312	38,443	39,574	40,705	41,836	42,967	44,098
03	26,828	27,722	28,616	29,510	30,404	31,298	32,192	33,086	33,980	34,874
04	21,785	22,511	23,237	23,963	24,689	25,415	26,141	26,867	27,593	28,319
05	19,416	20,063	20,710	21,357	22,004	22,651	23,298	23,945	24,592	25,239
06	17,342	17,920	18,498	19,076	19,654	20,232	20,810	21,388	21,966	22,544
07	15,518	16,035	16,552	17,069	17,586	18,103	18,620	19,137	19,654	20,171
08	13,910	14,374	14,838	15,302	15,766	16,230	16,694	17,158	17,622	18,086
09	12,487	12,903	13,319	13,735	14,151	14,567	14,983	15,399	15,815	16,231
10	11,227	11,601	11,975	12,349	12,723	13,097	13,471	13,845	14,219	14,593

* The rate of basic pay payable for employees at these rates is limited to the rate payable for level V of the Executive Schedule, which is expected to remain at \$50,112.50.

Appendix B

Views and Recommendations of
the Resigned Members of the
Federal Employees Pay Council

RESIGNED MEMBERS
OF THE
FEDERAL EMPLOYEES PAY COUNCIL

(Established Under Public Law No. 91-656)

Mr. Kenneth T. Blaylock, American Federation of Government Employees
Mr. Vincent L. Connery, National Treasury Employees Union
Mr. Richard M. Galleher, AFL-CIO - Public Employee Dept., Chairman
Mr. Joseph D. Gleason, American Federation of Government Employees
Mr. James M. Peirce, National Federation of Federal Employees

REPORT AND RECOMMENDATIONS
OF THE
FEDERAL EMPLOYEES PAY COUNCIL
ON THE
OCTOBER 1980
COMPARABILITY PAY ADJUSTMENT
FOR FEDERAL WHITE COLLAR EMPLOYEES

August 5, 1980

We, the undersigned former members of the Federal Employees Pay Council, wish to express our disagreement with the initial recommendations set forth by the staff of the President's Pay Agent. Though no longer a formal body, we feel that the critical importance of the annual comparability adjustment to those we collectively represent demands that we respond jointly to these staff findings.

For the third straight year, we are facing the threat of a cap on the comparability adjustment imposed by the President to meet budgetary considerations. We are keenly aware that the President originally proposed in his Fiscal Year 1981 budget a 6.2 percent October increase for Federal workers. This estimate was based on the assumption that the Administration's "pay reform" legislation would be adopted.

Recently, the Office of Management and Budget revised its initial estimate to project a 7.8 percent increase for Federal employees. In announcing this change, the Director of OMB stated that this figure was also "consistent with" the terms of the proposed legislation.

Based on recent history, we have little doubt that the new budgetary figure is but a preview of yet another cap on Federal pay. Even though, as Attachment A illustrates, Federal employees have fallen far behind their private sector counterparts in the area of pay, and in their ability to keep pace with inflation, the Administration is once again seeking to use Federal wages as a political tool in its plan to hold down government spending.

Because of past pay caps, the adjustment due Federal workers under the Pay Agent's technical staff recommendations for October 1, 1980 would average 13.49 percent. The distortions to which the comparability mechanism has been subject in recent years through the imposition of artificial limitations has produced this major comparability lag. We feel strongly that Federal employees must now be granted a wage increase which reflects comparability for the first time in several years, and that all distortions and artificial limitations end once and for all.

We continue to oppose the Agent's application of the "PATCO" weighting technique and "SGH" curve to the Federal payline. We have consistently criticized the use of this methodology when it was first introduced in 1976, and we see no need to reiterate our arguments again. The distortions caused by this methodology

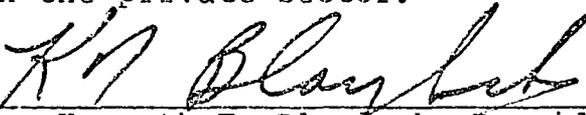
coupled with the effects of successive pay caps have this year produced such skewed results that the gap between the lowest and highest increases recommended is an astounding 10 percent. We find this difference to be totally unacceptable and believe that these figures underline the basic lack of logic and fairness inherent in the Agent's methodology.

We call the Agent's attention to our Attachment B. This table provides a job-by-job comparison of March, 1980 private sector and Federal pay rates for those jobs represented by the PATC survey. As is evident from this data, Federal pay in most surveyed occupations is far behind the private sector. 58 of the 91 points of comparison far exceed the average percentage increase recommended by the Pay Agent. Of these, 29 jobs are more than 20 percent behind comparability, 12 jobs fall thirty or more percent behind comparability, and two jobs incredibly fall more than 40 percent behind private sector pay.

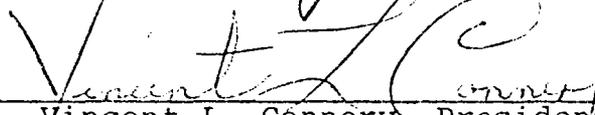
In addition, the payline distributed by the Agent's staff once again ignores long overdue changes to make the process more equitable. For years, the Pay Council, the Advisory Committee on Federal Pay and others have called for the introduction of a mechanism to compensate Federal workers for private sector wage movements that occur between the March reference date of the Bureau of Labor Statistics' PATC survey and the October comparability adjustment. This "time lag" costs Federal employees

millions of dollars each year, and we are appalled by the Agent's continued refusal to face this problem in a realistic manner. We are also disappointed that no effort has been made even to attempt the measurement of private sector bonus data as we have long proposed.

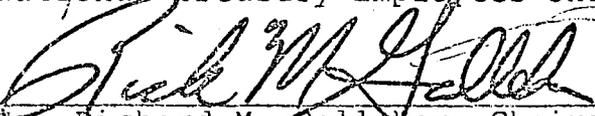
In summary, there can be little argument that Federal pay has sorely lagged behind wages and salaries in the private sector. This is particularly so since for the past two years government workers have borne the burden of mandatory wage controls, which did not similarly restrict private sector salary movements. Because of these past inequities, we firmly believe that it is incumbent upon the Agent to fulfill its statutory responsibility by basing their recommendation upon the current pay setting process and not upon projected legislative changes. We therefore urge the Agent to recommend to the President an adjustment which grants Federal employees true comparability with employees in the private sector.



Mr. Kenneth T. Blaylock, President
American Federation of Government Employees



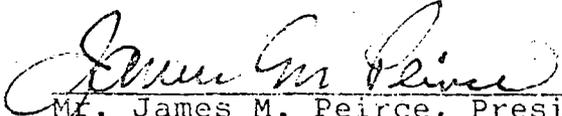
Mr. Vincent L. Connery, President
National Treasury Employees Union



Mr. Richard M. Gallener, Chairman
AFL-CIO, Public Employee Department



Mr. Joseph D. Gleason, Executive Vice President
American Federation of Government Employees



Mr. James M. Peirce, President
National Federation of Federal Employees

F E D E R A L E M P L O Y E E S P A Y C O U N C I L

ERODING STANDARD OF LIVING SUFFERED BY
FEDERAL WHITE-COLLAR WORKERS

The Federal white-collar workers' standard of living has dropped even more rapidly than their buying power. The Bureau of Labor Statistics urban family budgets identify three different standards of living for a hypothetical urban family of four. As you know, the lower level budget was used by Congress to defining the "working poor" exempted from wage controls in the latter years of the so-called wage and price controls.

The attached table shows a GS-5 Step 1 worker in December of 1969 earned \$6,548, which was \$65 less than the BLS lower level budget for an urban family of four. By October of 1978, the GS-5 Step 1 earnings level of \$10,507 was \$1,039 short of the BLS lower level budget. Current estimates for June, 1980, show that the pay level of \$11,243 has further eroded to \$2,734 below the "working poor" standard of living threshold.

Since the Carter Administration first wage adjustment in October of 1977 these workers have seen an erosion in their earning from \$522 short of this living standard to the present \$2,734 deficiency..

ERODING STANDARD OF LIVING SUFFERED BY FEDERAL WHITE-COLLAR
WORKERS SINCE PASSAGE OF THE 1970 PAY COMPARABILITY ACT AMENDMENTS

	<u>GS-5 Step 1</u>	<u>Low Level Budget (1)</u>	<u>Salary as % of Budget Level</u>	<u>Dollar Surplus or Deficit</u>
12/69	\$6,548	\$ 6,613(2)	99.0%	\$ -65
1/71	6,938	7,024(2)	98.8%	-86
1/72	7,319	7,257(2)	100.9%	+62
10/72	7,694	7,386	104.2%	+308
10/73	8,055	8,181	98.5%	-126
10/74	8,500	9,198	92.4%	-698
10/75	8,925	9,558	93.4%	-633
10/76	9,303	10,041	92.7%	-738
* * * * *				
10/77	9,959	10,481	95.0%	-522
10/78	10,507	11,546	91.0%	-1,039
10/79	11,243	12,585	89.3%	-1,342
6/80	11,243	13,977(3)	80.4%	-2,734

(1) These figures are taken from the Bureau of Labor Statistics lower level urban family budget for four.

(2) The Urban Family Budgets are published for October of each year, 1969 - 1978. Therefore, the statistics for December, 1969, January, 1971, and January, 1972 required adjustment. The adjustments were made by taking the number of months between the specified date and the closest officially published BLS urban family budget level, dividing by 12, and applying the resultant percentage ration between the levels for the two years. For example, the December, 1969 figure is estimated by using the urban family budget level for October of 1969 plus 16.7% of the difference between the 1969 and 1970 urban family budget levels.

(3) The figure for June, 1980 was estimated by the AFL-CIO research department.

ERODING STANDARD OF LIVING SUFFERED BY FEDERAL WHITE-COLLAR
WORKERS SINCE PASSAGE OF THE 1970 PAY COMPARABILITY ACT AMENDMENTS

	<u>GS-10 Step 1</u>	<u>Intermediate Level Budget (1)</u>	<u>Salary as % of Budget Level</u>	<u>Dollar Surplus or Deficit</u>
12/69	\$10,869	\$10,164 ⁽²⁾	106.9%	\$ +705
1/71	11,517	10,741 ⁽²⁾	107.2%	+776
1/72	12,151	11,090 ⁽²⁾	109.6%	+1,061
10/72	12,775	11,446	111.6%	+1,329
10/73	13,379	12,626	106.0%	+753
10/74	14,117	14,333	98.5%	-216
10/75	14,824	15,318	96.8%	-494
10/76	15,524	16,236	95.6%	-712
* * * * *				
10/77	16,618	17,106	97.1%	-488
10/78	17,532	18,622	94.1%	-1,090
10/79	18,760	20,517	91.4%	-1,757
6/80	18,760	22,795 ⁽³⁾	82.3%	-4,035
* * * * *				

(1) These figures are taken from the Bureau of Labor Statistics intermediate level urban family budget for four.

(2) The Urban Family Budgets are published for October of each year, 1969 - 1978. Therefore, the statistics for December, 1969, January, 1971, and January, 1972 required adjustments. The adjustments were made by taking the number of months between the specified date and the closest officially published BLS urban family budget level, dividing by 12, and applying the resultant percentage ratio between the levels for the two years. For example, the December, 1969 figure is estimated by using the urban family budget level for October of 1969 plus 16.7% of the difference between the 1969 and 1970 urban family budget levels.

(3) The figure for June, 1980 was estimated by the AFL-CIO research department.

ERODING STANDARD OF LIVING SUFFERED BY FEDERAL WHITE-COLLAR
WORKERS SINCE PASSAGE OF THE 1970 PAY COMPARABILITY ACT AMENDMENTS

	<u>GS-12 Step 1</u>	<u>High Level Budget⁽¹⁾</u>	<u>Salary as % of Budget Level</u>	<u>Dollar Surplus or Deficit</u>
12/69	\$14,192	\$14,728 ⁽²⁾	96.4%	\$ -536
1/71	15,040	15,610 ⁽²⁾	96.3%	-570
1/72	15,866	16,068 ⁽²⁾	98.7%	-202
10/72	16,682	16,558	100.7%	+124
10/73	17,497	18,201	96.1%	-704
10/74	18,463	20,777	88.9%	-2,314
10/75	19,386	22,294	87.0%	-2,908
10/76	20,442	23,759	86.0%	-3,317
* * * * *				
10/77	21,883	25,202	86.8%	-3,319
10/78	23,087	27,420	84.2%	-4,333
10/79	24,703	30,317	81.5%	-5,614
6/80	24,703	33,838 ⁽³⁾	73.0%	-9,135
* * * * *				

(1) These figures are taken from the Bureau of Labor Statistics high level urban family budget for four.

(2) The Urban Family Budgets are published for October of each year, 1969 - 1978. Therefore, the statistics for December, 1969, January, 1971, and January, 1972 required adjustments. The adjustments were made by taking the number of months between the specified date and the closest officially published BLS urban family budget level, dividing by 12, and applying the resultant percentage ratio between the levels for the two years. For example, the December, 1969 figure is estimated by using the urban family budget level for October of 1969 plus 16.7% of the difference between the 1969 and 1970 urban family budget levels.

(3) The figure for June, 1980 was estimated by the AFL-CIO research department.

F E D E R A L E M P L O Y E E S P A Y C O U N C I L

ERODING BUYING POWER SUFFERED BY
FEDERAL WHITE-COLLAR WORKERS

The Federal white-collar workers' eroding buying power has dropped drastically since passage of the 1970 Pay Comparability Act Amendments.

The attached table shows a GS-5 Step 1 worker in December of 1969 at par. By October of 1978, the GS-5 Step 1 worker realized a loss of \$565. Current estimates for June, 1980, show the loss has eroded to \$1,263. This indicates loss in buying power has more than doubled in less than two years.

FEPC 7/23/80

Attachment A

ERODING BUYING POWER INFLICTED UPON FEDERAL WHITE-COLLAR
 WORKERS SINCE PASSAGE OF THE 1970 PAY COMPARABILITY ACT AMENDMENTS

GS-5 Step 1 Federal Worker

	<u>Current Dollar Salary</u>	<u>CPI-W</u>	<u>Constant 1967 Dollars Salary</u>	<u>Gain or Loss in Real Buying Power</u>	
				Percent	Dollars
12/69	\$6,548	112.9	\$5,800	0.0%	\$ 00
1/71	6,938	119.2	5,820	+0.3%	+20
1/72	7,319	123.2	5,941	+2.4%	+141
10/72	7,694	126.6	6,077	+4.8%	+277
10/73	8,055	136.6	5,897	+1.7%	+97
10/74	8,500	153.0	5,556	-4.2%	-244
10/75	8,925	164.6	5,422	-6.5%	-378
10/76	9,303	173.3	5,368	-7.4%	-432
* * * * *					
10/77	9,959	184.5	5,398	-6.9%	-402
10/78	10,507	200.7	5,235	-9.7%	-565
10/79	11,243	225.6	4,984	-14.1%	-816
6/80	11,243	247.8	4,537	-21.8%	-1,263
* * * * *					

ERODING BUYING POWER INFLICTED UPON FEDERAL WHITE-COLLAR
WORKERS SINCE PASSAGE OF THE 1970 PAY COMPARABILITY ACT AMENDMENTS

GS-10 Step 1 Federal Worker

	<u>Current Dollar Salary</u>	<u>CPI-W</u>	<u>Constant 1967 Dollars Salary</u>	<u>Gain or Loss in Real Buying Power</u>	
				Percent	Dollars
12/69	\$10,869	112.9	\$ 9,627	0.0%	\$ 00
1/71	11,517	119.2	9,662	0.4%	35
1/72	12,151	123.2	9,863	2.5%	236
10/72	12,775	126.6	10,091	4.8%	464
10/73	13,379	136.6	9,794	1.7%	167
10/74	14,117	153.0	9,227	-4.2%	-400
10/75	14,824	164.6	9,006	-6.5%	-621
10/76	15,524	173.3	8,958	-6.9%	-669
* * * * *					
10/77	16,618	184.5	9,007	-6.4%	-620
10/78	17,532	200.7	8,735	-9.3%	-892
10/79	18,760	225.6	8,316	-13.6%	-1,311
6/80	18,760	247.8	7,571	-21.4%	-2,056
* * * * *					

ERODING BUYING POWER INFLICTED UPON FEDERAL WHITE-COLLAR
WORKERS SINCE PASSAGE OF THE 1970 PAY COMPARABILITY ACT AMENDMENTS

GS-12 Step 1 Federal Worker

	<u>Current Dollar Salary</u>	<u>CPI-W</u>	<u>Constant 1967 Dollars Salary</u>	<u>Gain or Loss in Real Buying Power</u>	
				Percent	Dollars
12/69	\$14,192	112.9	\$12,570	0.0%	\$ 00
1/71	15,040	119.2	12,617	0.4%	+47
1/72	15,866	123.2	12,878	2.5%	+308
10/72	16,682	126.6	13,177	4.8%	+607
10/73	17,497	136.6	12,809	1.9%	+239
10/74	18,463	153.0	12,067	-4.0%	-503
10/75	19,386	164.6	11,778	-6.3%	-792
10/76	20,442	173.3	11,796	-6.2%	-774
* * * * *					
10/77	21,883	184.5	11,861	-5.6%	-709
10/78	23,087	200.7	11,503	-8.5%	-1,067
10/79	24,703	225.6	10,950	-12.9%	-1,620
6/80	24,703	247.8	9,968	-20.7%	-2,601
* * * * *					

COMPARISON OF THE MOVEMENTS OF FEDERAL WHITE-COLLAR PAY
 WITH THE BUREAU OF LABOR STATISTICS COMPARABILITY SURVEY
 SINCE PASSAGE OF THE 1970 PAY COMPARABILITY STATUTE

December 1969 - June 1979

	<u>PATC Survey As Per BLS Announcement</u>	<u>Index Series of PATC Increases</u>	<u>GS Increase Proposed By Agent</u>	<u>Actual GS Increase</u>	<u>Index Series of GS Pay Increases</u>
12/69	5.7%	100.0	---	6.0%	100.0
1/71	6.2%	106.2	---	6.0%	106.0
6/71	6.6%	113.2	6.6%	5.5%	111.8
10/72	4.4%	118.2	5.1%	5.1%	117.5
10/73	5.4%	124.6	4.8%	4.8%	123.2
10/74	6.4%	132.5	5.5%	5.5%	129.9
10/75	9.0%	144.5	8.7%	5.0%	136.4
10/76	7.0%	154.6	4.8%	4.8%	143.0
10/77	6.9%	165.3	7.1%	7.1%	153.1
10/78	7.9%	178.3	8.4%	5.5%	161.6
10/79	7.8%	192.2	10.4%	7.0%	172.9

	FEDERAL GRADE	NUMBER OF FEDERAL EMPLOYEES	AVERAGE ANNUAL SALARIES '80 PATCO	AVERAGE ANNUAL SALARIES FEDERAL	% OF INCREASE REQUIRED TO REACH COMPA- RABILITY
<u>ATTORNEYS</u>					
Attorneys I	9	481	\$20,911	\$17,340	20.6%
Attorneys II	11	1412	25,549	21,173	20.7
Attorneys III	12	2725	33,034	25,944	27.3
Attorneys IV	13	3331	40,864	31,342	30.4
Attorneys V	14	3334	49,864	37,782	32.0
Attorneys VI	15	2574	60,641	45,560	33.1
<u>BUYERS</u>					
Buyers I	5	2593	14,861	12,721	16.8
Buyers II	7	2535	18,467	15,286	20.8
Buyers III	9	3317	22,904	18,536	23.6
Buyers IV	11	3423	27,777	22,725	22.2
<u>PERSONNEL MANAGEMENT</u>					
Job Analysts I	5	61	16,056	12,698	26.4
Job Analysts II	7	126	16,795	14,779	13.6
Job Analysts III	9	240	21,484	17,874	20.2
Job Analysts IV	11	779	26,315	22,823	15.3
Directors of Personnel I	11	1612	24,719	22,676	9.0
Directors of Personnel II	12	1893	31,832	27,390	16.2
Directors of Personnel III	13	1742	37,816	33,108	14.2
Directors of Personnel IV	14	864	49,730	39,268	26.6

PART I

JOB-BY-JOB COMPARISON OF MARCH 1, 1980 PRIVATE SECTOR
VS. MARCH 31, 1980 FEDERAL ANNUAL RATES FOR THOSE
FEDERAL JOBS DIRECTLY REPRESENTED BY
THE PATCO SURVEY

	FEDERAL GRADE	NUMBER OF FEDERAL EMPLOYEES	AVERAGE ANNUAL SALARIES '80 PATCO	AVERAGE ANNUAL SALARIES FEDERAL	% OF INCREASE REQUIRED TO REACH COMPA-- RABILITY
<u>ACCOUNTANTS AND AUDITORS</u>					
Accountants I	5	601	\$15,149	\$11,982	26.4%
Accountants II	7	1653	18,427	14,415	27.8
Accountants III	9	2263	21,299	17,844	19.4
Accountants IV	11	4540	26,158	22,608	15.7
Accountants V	12	6578	31,937	27,319	16.9
Accountants VI	13	3960	40,292	33,083	21.8
Auditors I	5	601	14,858	11,830	25.6
Auditors II	7	1653	18,002	14,415	24.9
Auditors III	9	2263	22,026	17,844	23.4
Auditors IV	11	4540	26,782	22,608	18.5
Public Accountants I	7	3019	14,958	14,339	4.3
Public Accountants II	9	3418	16,689	17,830	--
Public Accountants III	11	7958	19,806	22,656	--
Public Accountants IV	12	9791	23,900	27,361	--
Chief Accountants I	11	4540	28,347	22,608	25.4
Chief Accountants II	12	6578	32,662	27,319	19.6
Chief Accountants III	13	3960	41,092	33,083	24.2
Chief Accountants IV	14	2054	50,073	39,745	26.0

	FEDERAL GRADE	NUMBER OF FEDERAL EMPLOYEES	AVERAGE ANNUAL SALARIES '80 PATCO	AVERAGE ANNUAL SALARIES FEDERAL	% OF INCREASE REQUIRED TO REACH COMPARABILITY
<u>CHEMISTS AND ENGINEERS</u>					
Chemists I	5	94	\$16,200	\$11,550	40.3%
Chemists II	7	388	19,571	14,684	33.3
Chemists III	9	790	23,373	19,177	21.9
Chemists IV	11	1681	27,681	23,882	15.9
Chemists V	12	1749	33,793	28,573	18.3
Chemists VI	13	1592	38,137	33,936	12.4
Chemists VII	14	782	45,883	40,396	13.6
Engineers I	5	585	19,411	14,696	32.1
Engineers II	7	2241	21,285	18,233	16.7
Engineers III	9	3085	24,160	21,787	10.9
Engineers IV	11	10118	28,486	25,393	12.2
Engineers V	12	24028	33,141	28,748	15.3
Engineers VI	13	21263	38,259	34,942	9.5
Engineers VII	14	10228	43,242	41,097	5.2
Engineers VIII	15	4439	50,079	47,792	4.8
<u>TECHNICAL SUPPORT</u>					
Engineering Technicians I	3	506	12,228	9,323	31.1
Engineering Technicians II	4	916	14,212	10,627	33.7
Engineering Technicians III	5	1391	16,756	12,224	37.1
Engineering Technicians IV	7	3164	19,547	16,096	21.4
Engineering Technicians V	9	8454	22,323	19,861	12.4
Drafters I	2	42	10,216	8,691	17.5
Drafters II	3	109	11,689	9,522	22.8
Drafters III	4	226	14,308	10,592	35.1
Drafters IV	5	545	17,215	12,211	41.0
Drafters V	7	393	21,690	16,274	34.9
Computer Operators I	4	901	10,164	11,120	--
Computer Operators II	5	1585	12,016	12,441	--
Computer Operators III	6	1361	12,957	13,933	--
Computer Operators IV	7	2456	16,050	15,757	1.9
Computer Operators V	8	1215	18,454	17,555	5.1
Computer Operators VI	9	1405	19,511	19,597	--

	FEDERAL GRADE	NUMBER OF FEDERAL EMPLOYEES	AVERAGE ANNUAL SALARIES '80 PATCO	AVERAGE ANNUAL SALARIES FEDERAL	% OF INCREASE REQUIRED TO REACH COMPABILITY
<u>CLERICAL</u>					
Accounting Clerks I	2	42	\$ 8,806	\$ 8,665	1.6%
Accounting Clerks II	3	877	10,377	9,651	7.5
Accounting Clerks III	4	4432	12,328	11,139	10.7
Accounting Clerks IV	5	8976	15,358	12,713	20.8
File Clerks I	1	163	7,889	7,325	7.7
File Clerks II	2	2657	8,829	8,404	5.1
File Clerks III	3	9673	11,026	9,651	14.2
Key Entry Operators I	2	4389	9,981	8,196	21.8
Key Entry Operators II	3	7185	11,723	9,499	23.4
Messengers	1	48	8,561	7,775	10.1
Personnel Clerks I	3	631	9,591	9,464	1.3
Personnel Clerks II	4	2546	11,529	11,068	4.2
Personnel Clerks III	5	3941	12,896	12,684	1.7
Personnel Clerks IV	6	1784	15,726	14,207	10.7
Personnel Clerks V	7	1636	19,837	15,926	24.6
Secretaries I	4	7446	11,296	11,115	1.6
Secretaries II	5	27295	12,611	12,963	-
Secretaries III	6	17958	14,018	14,667	-
Secretaries IV	7	8734	15,382	16,423	-
Secretaries V	8	3172	17,132	18,423	-
Stenographers, General	3	1870	11,899	9,369	27.0
Stenographers, Senior	4	12256	13,876	11,174	24.2
Typists I	2	7576	9,161	8,277	10.7
Typists II	3	31053	11,010	9,520	15.7

Appendix C

Views and Recommendations of
other Federal Unions and
Employee Organizations

ASSOCIATION OF CIVILIAN TECHNICIANS

President
VINCENT J. PATERNO
348A Hungerford Court
Rockville, MD 20850

Secretary
DONALD E. BEAN
319 Doyleson Ave.
Endwell, N.Y. 13760

August 1, 1980

Jerome D. Julius
Assistant Director
for Pay Programs
Office of Personnel Management
1900 'E' Street, NW
Washington, D. C. 20415

Dear Mr. Julius:

My comments in regard to the annual pay comparability exercise are as follows:

A - Because the pay and grade plan of the federal service is designed by job classification, in a structure that develops independent boundaries outside PATCO compensation lines, it is essential that this independence as a structure relate on comparability standards to whole category private sector pay measurements. This approach recognizes that the government, in its pay grades, does not display job by job comparability (ie: Engineer I vs Computer Operator II) but rather a comparability of total expenditure.

In the total expenditure format job compensation then relates to internal grading structures practiced not in the "market" but by separate legislative design.

The result should be redesign of the entire pay grade structure keeping grading steps in essentially similar variances. Plans like this retain "pay comparability" while they maintain independent status in most major industries.

B - As a result of this circumstance, as outlined in A, it is the strong belief of this commentator that a singular dollar amount of the percentile increase, as it divides from the number of employees, is fair and equitable. Continuous percentile breakouts have, to some degree, eroded proper balance in grade and step differences.

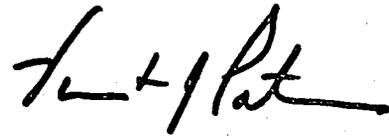


A single dollar amount would regain stability and proportional grading structures. It would be at least as beneficial as the creation of the Senior Executive Service, and reward longtime employees sufficiently and well.

C - I do not conceive of a 13.49% raise as probable this year although I would suggest it strongly. Attached to this letter is a news release and structure I feel would limit expenditures and pay adequately.

The federal employee, long abused, needs a sign that his work is essential, good, and rewarded.

Sincerely yours,

A handwritten signature in black ink, appearing to read "V. J. Paterno". The signature is fluid and cursive, with a large initial "V" and "P".

Vincent J. Paterno
National President

VJP/jc

ASSOCIATION OF CIVILIAN TECHNICIANS

President
VINCENT J. PATERNO
348A Hungerford Court
Rockville, MD 20850

Secretary
DONALD E. BEAN
319 Doyleson Ave.
Endwell, N.Y. 13760

NEWS RELEASE

A. C. T. PRESIDENT REQUESTS MINIMUM \$2,000

A YEAR G.S. PAY RAISE ACROSS THE BOARD

THE PRESIDENT OF THE ASSOCIATION OF CIVILIAN TECHNICIANS, VINCENT J. PATERNO, IS WRITING TO PRESIDENT CARTER AND HIS PAY AGENT REQUESTING THAT THE COMPARABILITY PAY INCREASE BE GIVEN IN A STANDARD DOLLAR AMOUNT ACROSS THE BOARD.

HE HAS REPORTED "DISGUST" WITH COMPARABILITY RESULTS THAT INDICATE A TOTAL 13.49% INCREASE REQUIREMENT AND WHICH ALSO REVEALS THAT IF FULL COMPARABILITY HAD BEEN GIVEN LAST YEAR THIS YEARS INCREASE WOULD STILL BE 10%. FURTHER, HE IS DISTURBED THAT SOME "UNIONS" ARE LEAVING ACROSS THE BOARD WAGE CONCEPTS THAT AID MIDDLE AND LOWER PAID EMPLOYEES, WHO ARE THEIR BASIC MEMBERS, AND ENDORSING SYSTEMS THAT WOULD RAISE HIGH PAY MANAGEMENT OFFICIALS



"Duty . . . Dedication . . . Dignity"

RELEASE - ACT

pg 2

WITH VASTLY GREATER WAGES.

PATERNO IS RECOMMENDING A "RAISE WITH A HEART" AND INDICATES THAT A STRAIGHT FIGURE LIKE \$2,000 FOR EACH EMPLOYEE WOULD BETTER TREAT THE INCOME "NEEDS" OF FEDERAL EMPLOYEES. WITH PRICES RISING CONSTANTLY, PATERNO SAYS THAT RAISES THAT COST THE GOVERNMENT COMPARABLE DOLLARS TO INDUSTRY BUT DIVIDE THE EMPLOYEE WAGES THROUGH GOVERNMENT CLASSIFICATION STRATA, WOULD BE MORE EQUITABLE. PATERNO CHARGES THE ADMINISTRATION WITH TOO MUCH FAVORITISM TOWARDS HIGH LEVEL AND SENIOR EXECUTIVE SERVICE EMPLOYEES AND A CALLOUS DISREGARD FOR RISING FOOD, OIL, RENT, AND TAX COSTS AT THE WORKING LEVELS OF MOST FEDERAL EMPLOYEES.

NOTING THAT THE OFFICE OF PERSONNEL MANAGEMENT RECOGNIZES THAT 500,000 WOMEN, MANY THE SOLE SUPPORT OF FAMILIES, ARE GS-9 OR BELOW, PATERNO SAYS THAT AN IMMEDIATE FAIR SEX PARTIAL REMEDY FOR DISCRIMINATION IS AVAILABLE THROUGH THE CONSTANT DOLLAR APPROACH. PATERNO ALSO NOTES THAT DOLLARS SHOULD GO TO AID THE WORKING FAMILY MEET RISING OBLIGATIONS AND STRATIFY LESS IN THE AREA OF FOREIGN SPORTS CARS, LUXURY HOUSING OR

FOREIGN VACATIONS. HE SAYS THAT \$2,000 GIVEN TO A GS-5 WOULD BE USED TO A GREATER ADVANTAGE IN OUR ECONOMY THAN THE \$9,5000 (20.91%) WHICH WOULD BE GIVEN TO A GS-15 UNDER THE PRESENT PLAN.

"I DON'T SAY LET THEM EAT CAKE, I SAY LET THEM AFFORD HAMBURGER", SAYS PATERNO. "FURTHER", THE A.C.T. PRESIDENT SAYS, "MR. CARTER SHOULD GIVE FEDERAL EMPLOYEES A PAY PLAN WITH A HEART. PAY COMPARABILITY SHOULD MEASURE TO A DEGREE OF COMPARABILITY FOR WORKERS IN TERMS OF UTILITY COSTS, DIETS, AND HOUSING".

PATERNO'S PROJECTED \$2,000 PLAN

GS LEVEL	1st STEP 1st YEAR	AVERAGE EMPLOYEE REFERENCE LINE	FINAL STEP 10 (18 years)
1	\$ 9,210	\$ 9,644	\$ 11,126
2	10,128	10,685	12,327
3	10,952	11,835	13,634
4	12,049	13,100	15,064
5	13,243	14,485	16,618
6	14,531	15,996	18,293
7	15,925	17,637	20,101
8	17,423	19,411	22,049
9	19,035	21,322	24,147
10	20,760	23,270	26,835
11	22,611	25,555	28,795
12	26,703	30,332	34,110
13	31,375	35,620	40,186
14	36,713	41,361	47,126
15	42,832	47,665	55,081

FEL
FEDERAL
EXECUTIVES
LEAGUE

1302 18th Street, N.W.
Suite 203
Washington, D.C. 20036
Telephone: (202) 223-6274

OFFICERS 1980-81

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Treasurer

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Elvin W. Sill, Jr.

August 4, 1980

Mr. Jerome D. Julius
Assistant Director
for Pay Programs
Office of Personnel Management
Washington, D.C. 20415

Dear Mr. Julius:

Thank you very much for inviting the Federal Executives League to participate in the discussion of the President's Pay Agent Recommendations on salary adjustments which are based on the annual salary comparability survey conducted by the Bureau of Labor Statistics for the year ending March 31, 1980. In response to your invitation for comments on the dual-payline computations presented to Federal employee organizations on Monday, July 28th, the League offers the following observations and proposals.

The effect of successive pay "caps" on Federal employee salaries during the past two years at levels substantially below comparability with the private sector is clearly evident from this staff study which displays comparability gaps ranging from 10.41% at GS-1 to 20.91% at GS-15 needed to provide equity. We note that the average incremental increase for all General Schedule employees, if adopted, would result in an average increase of 13.49%. This latter figure is a hypothetical average, however, since the current asterisk (*) ceiling on top-level GS salaries will remain at \$50,112 so the actual average GS salary increase would be limited to 12.69%. The compression of salaries at this level would now become effective for GS-14 at Step 8 and GS-15 at Step 2; and for all GS-16 to -18 and equivalent positions. In effect, more than 15,000 senior executives and managers would be awarded the same salary under the continuing executive "cap".

We are aware that the President's Fiscal Year 1981 Budget submitted to Congress in January included funds for an average increase of 6.2% in the civil service payroll. We understand that this estimate has been revised recently by the Office of Management and Budget to an increment of 7.8% for planning purposes. The rationale cited by the Administration for continuing pay caps at levels below those of the private sector (9.1% for the year ending in March 1980) is that Federal constraints on salary increases should set an example for the private sector. The logic of this guideline escapes us, however, since the survey data on which comparability is based measures "after-the-fact" private sector salary increases whereas changes in Federal salary schedules lag behind the survey samples by six to nine months or more.

As a matter of principle, the League strongly urges the President's Pay Agent to accept the graduated scale of percentage salary increases calculated by its staff as its recommendation to restore comparability for the GS salary schedule. As a matter of equity, double-digit inflation during the past two years should be reflected by compensation schedules which approximate the private sector as nearly as possible. At a minimum, if support for the full "catch up" salary increases indicated does not appear feasible at this time, we would recommend that the 9.1% increase determined by the Bureau of Labor Statistics from its March 1979-March 1980 survey of private sector salaries be proposed for the President's consideration.

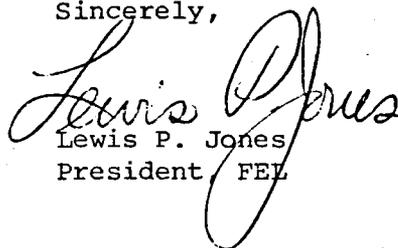
Dedicated to better management of the Federal Government

Of special concern to the League membership, however, is the impact of the continuing pay compression noted earlier that has steadily worsened and which underlies the accelerating rate of early retirements of senior executives in recent months. This situation has been the subject of recent studies of the GAO which the Comptroller General, Elmer Staats, discussed at some length in the hearings of the Subcommittee on Compensation and Employee Benefits held on Tuesday, July 29, 1980 chaired by Congresswoman Gladys Spellman. He further noted, as was confirmed by Dr. Campbell that, "the pay situation for federal executives continues to look bleak for fiscal year 1981." This assessment was based on the following circumstances:

- the President has already announced his intentions to freeze executive pay this October
- bonus payments are to be limited to fewer than 20% of SES positions (in lieu of the 50% level established in the Civil Service Reform Act of 1978)
- the continuing linkage between congressional and Executive Level II salaries serving as an "executive pay cap"
- the infrequent statutory provision for review and adjustment of executive, legislative and judicial salaries -- the "quadrennial commission" -- is an ineffectual mechanism for solving the problems of top-level salary adjustments in times of double-digit inflation

In view of the above outlook, the League strongly recommends that the President's Pay Agent recommend that executive pay not be "frozen" as planned in October. It further recommends that a major legislative initiative be pursued with Congress to allow the annual adjustments of salary under Public Law 94-82 to take effect; and discontinue the practice of linking congressional and Executive Level II salaries.

Sincerely,


Lewis P. Jones
President FEL



THE FEDERAL PROFESSIONAL ASSOCIATION

1302 EIGHTEENTH STREET, N.W. • SUITE 203 • WASHINGTON, D.C. 20036 • (202) 223-6274

August 4, 1980

Mr. Jerome D. Julius
Assistant Director
for Pay Programs
Room 3353
Office of Personnel
Management
Washington, D.C. 20415

Dr. Mr. Julius:

Thank you on behalf of the Federal Professional Association and its affiliate organizations, the National Association of Naval Technical Supervisors and the Naval Civilian Administrators Association, for the July 28 briefing by the staff of the President's Pay Agent on the results of your 1980 comparability survey. Our organizations are convinced that the nature of the President's response this year to the clearly documented, cumulative imbalance in the present Federal pay structure will have a critical impact on the future quality of the Federal workforce. This is unquestionably true in respect to the ongoing competence of its professional component.

Both in 1978 and 1979, salary adjustments for Federal employees were significantly below those required to approximate true comparability as specified under existing law. Even worse in respect to its inequitable and demoralizing effect on Federal professional personnel, was the further perversion of the comparability principle in 1977, 1978 and 1979 by application of a uniform percentage increase to all grades in response to political pressure. In the name of simple logic, equity, Congressional intent, and the future of the government service, this year's comparability adjustment MUST be a graduated one--not a flat percentage increase across the board.

We note that this year's primary table extends only through GS-15, rather than through GS-18 as in previous years. Although we recognize that implementation of the SES has somewhat altered the pay schedule, it serves no purpose to ignore the immense problems in that area. We therefore request that you continue to at least indicate what comparability would also approximate for those grades.

Sincerely yours,

Viola Mae Young, Ph.D.
President



THE NATIONAL ASSOCIATION OF FEDERAL VETERINARIANS
SUITE 836 • 1522 K STREET, N.W. • WASHINGTON, D.C. 20005
PHONE: AREA CODE 202-223-3590

July 29, 1980

Mr. Jerome D. Julius
Asst. Director for Pay Programs
Office of Personnel Management
1900 E Street
Washington, D. C. 20415

Dear Mr. Julius:

This is in further reference to the meeting on July 28, 1980 of the President's Pay Agent meeting with Federal Employee organizations. We appreciate this opportunity to comment on your findings, prior to their being forwarded to The White House.

We believe that it is very important to follow your findings and pay the comparability by grade. There have been several across the board, percentage pay raises, which have resulted in serious inequities to the upper GS grades while the lower grades in some cases actually exceeded comparability. Therefore we urge you to follow the guidelines in Table No. 1 of your report, which would result in an overall 13.49% pay raise.

In order to comply with the Congressional Mandate to achieve true comparability, it is necessary that the \$50,112.50 salary ceiling be raised sufficiently to allow the GS14's and GS15's to actually realize the benefits to which they are due. By the same token, the limit on salaries in the Senior Executive Service should be raised proportionately.

As realists, we recognize the problems faced by the Administration and the Congress, with the pay problem and the so called "balanced budget philosophy." The President has announced his intention to increase military pay by 11.7% and you find that federal civilian employees are due an average of 13.49%. Therefore, we must insist that federal civilian employees receive a minimum of 11.7% on a graduated scale from GS-1 through GS-15.

Sincerely yours,

A handwritten signature in cursive script that reads "R. E. Omohundro".

R. E. Omohundro, DVM
Executive Vice President



Organization of Professional Employees of the U. S. Department of Agriculture

P.O. BOX No. 381

WASHINGTON, D. C. 20044

PHONE: 447-4898

Organized
April 8, 1929

August 1, 1980

Mr. Jerome D. Julius
Assistant Director for Pay Programs
Office of Personnel Management
Washington, D. C. 20415

Dear Mr. Julius:

We are grateful to you for arranging and conducting the July 28 meeting on pay comparability for officials of Federal employee organizations.

The data which you released at that meeting are further hard evidence of the effects of unbridled inflation. They also make clear the need for a major upward adjustment of Federal salaries to help keep the Government's highly skilled employees from shifting to private industry or taking early retirement.

The record annual increase (13.49 percent) due those employees cannot be ignored. It is a result not only of inflation but also of repeated annual denials of full comparability, which is authorized by a law passed by the Congress and signed by a President.

As an organization of professionals, OPEDA continues to support the real purpose of that law--which is to the effect that true comparability means equal pay in each grade when compared with similar positions in private industry.

We trust that the President's Pay Agents will recommend to President Carter a full realization of pay comparability this year. It may save several more years of embarrassing denials of this legal right.

We recognize, of course, the many factors affecting the President in connection with this decision.

If it is determined that full comparability by grade cannot be effectively attained this year, we offer an alternate proposal. That proposal is an across-the-board increase of not less than 9.5 percent.

The 9.5 figure stays within the guidelines (7.5-9.5 percent) set by the President for workers in private industry. It also is less than half of

2-Mr. Jerome D. Julius

the difference between the budgeted 6.2 percent and the 13.49 percent required to close the comparability gap.

We wish you success in impressing on the President the need for a more equitable approach to the pay problem of Federal employees.

Thank you for considering our proposals.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard G. Ford". The signature is written in dark ink and is positioned above the typed name and title.

Richard G. Ford
President

Patent Office Professional Association

Post Office Box 2745, Arlington, Virginia 22202

July 31, 1980

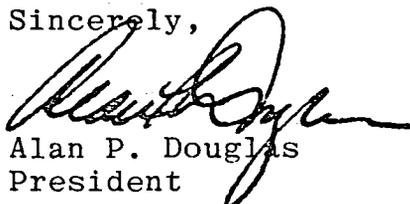
Mr. Jerome D. Julius
Assistant Director
for Pay Programs
Office of Personnel Management
1900 E Street, N. W.
Washington, D. C. 20415

Dear Mr. Julius:

In view of the data you distributed at the July 28 meeting, POPA strongly submits that you should recommend a comparability pay increase which bears a significant and rational relationship to your data. Any recommendation which is palpably not significantly and rationally related to that data, makes a mockery of the Comparability Act, the GS employees, and even your office.

Furthermore, and to us, most importantly, your recommendation should include comparability-by-grade, the need for which exists independently of any ceiling or cap which may be imposed. Failure to provide comparability-by-grade will be a clear signal to our members, most of whom are experiencing the 15.47, 17.89 and 20.91 percent gaps every day that passes. Educated and skilled professionals may tire of such treatment; retention of valued employees may reach the crisis level, especially when considered with the avoidance of pay standards achieved by the now-notorious practice of contracting-out. Therefore, you should recommend that a pay cap, if any, be administered as an average of all grades proportionately higher at higher grades consistent with your data.

Sincerely,



Alan P. Douglas
President

by Noon today

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<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
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ACTION
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<input checked="" type="checkbox"/>	VICE PRESIDENT
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<input type="checkbox"/>	CUTLER
<input type="checkbox"/>	DONOVAN
<input checked="" type="checkbox"/>	EIDENBERG
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<input type="checkbox"/>	LANDRIEU
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<input type="checkbox"/>	MILLER
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<input type="checkbox"/>	CAMPBELL
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HERTZBERG
<input type="checkbox"/>	HUTCHESON
<input checked="" type="checkbox"/>	KAHN
<input type="checkbox"/>	MARTIN
<input type="checkbox"/>	MILLER
<input type="checkbox"/>	MOE
<input type="checkbox"/>	MOSES
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	RECORDS
<input type="checkbox"/>	SANDERS
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<input type="checkbox"/>	WISE

WASHINGTON

DATE: 23 AUG 80

FOR ACTION: GENE EIDENBERG

STU EIZENSTAT

FRANK MOORE

JODY POWELL

JACK WATSON FRED KAHN

ANNE WEXLER

CHARLIE SCHULTZE

LONDON BUTLER

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

SUBJECT: MCINTYRE MEME RE OPTIONS FOR THE OCTOBER 1980 FEDERAL PAY
ADJUSTMENT

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM THURSDAY 28 AUG 80 +

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ACTION REQUESTED: YOUR COMMENTS IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

8/29/80

Mr. President:

The Campaign requests that you sign the attached declaration of candidacy for the general election ballot in Georgia.

Rick

CARTER/MONDALE PRESIDENTIAL COMMITTEE, INC.

2900 L STREET, N.W., WASHINGTON, D.C. 20036

(202) 887-4700

Robert S. Strauss, Chairman

Tim Kraft, National Campaign Manager

S. Lee Kling, Treasurer

MEMORANDUM

To: Lloyd Cutler
From: Doug Huron *DH*
Re: Georgia Candidacy Affidavits
Date: August 28, 1980

Attached are affidavits of candidacy which the President and Vice President are required to execute before a notary in order to comply with Georgia law. We have filled in the information which is required. The Secretary of State's office has informed us that the spaces which are blank may remain so.

Both affidavits should be executed as soon as possible and should be mailed to the Secretary of State of Georgia in the attached envelope. A cover letter is also enclosed.

Most states do not require such affidavits, but a similar one will have to be executed for the District of Columbia. The names of the three District of Columbia electors must be included in that affidavit and Bob Washington has yet to select the electors. As soon as he does, we will forward the District of Columbia materials.

Enclosures

TO: DAVID B. POYTHRESS,

Secretary of State of the

State of Georgia

NOTICE OF CANDIDACY AND AFFIDAVIT

I, the undersigned, being first duly sworn on oath, do depose and say: that my name is _____

Jimmy Carter _____ ;

that my residence address is _____ ;
(Street No.) (Street)

_____ ;
(City) (County) (State) (Zip)

that my post office address is _____ ;

that my telephone number is _____ ;
(Business) (Home)

that my profession, business or occupation (if any) is President of the United States ;

that the name of the election district (precinct) in which I vote is _____ ;

that I am an elector of the county of my residence eligible to vote in the election in which I am a candidate;

that the name of the office I am seeking is President of the United States _____ ;

(Furnish circuit, district, or post if applicable)

that I am eligible to hold such office; that I am a candidate for such office in the general _____

election to be held on the 4th day of November, 1980 ;
(election)

that I have never been convicted and sentenced in any court of competent jurisdiction for fraudulent violation of primary or election laws, malfeasance in office, felony or crime involving moral turpitude either under the laws of this State, or under the laws of any other State or under the laws of the United States, or if so convicted, that I was pardoned on _____ ;
(Furnish date and authority of such pardon)

that I will not knowingly violate any provisions of the Georgia Election Code or of the rules or regulations adopted thereunder; and that the information on the reverse side hereof is true and correct.

I understand that any false statement knowingly made by me in this Notice of Candidacy and Affidavit will subject me to criminal penalties as provided by law and I hereby request you to cause my name to be placed on the ballots to be used in such election as a candidate for the office I am seeking.

X Jimmy Carter
(Signature of Candidate)

Sworn to and subscribed

before me this 29th day

of August, 1980.

Hanan S. Clough
(Notary Public)

My Commission expires January 22, 1985.

[Required by Ga. Election Code, Sec. 34-1002.]

(over)

1. I desire that my name appear on the ballot as follows:

Jimmy Carter

(Please Print)

2. (a) I am running as an Independent [].

(b) I am the nominee of the _____ Party (Body)
nominated by:

[X] Convention (Certified copy of the minutes of the convention attested by the Chairman and Secretary of the convention is being filed herewith);

[] Other (Specify method of nomination and statute and party rule governing and allowing such method of nomination):

3. (a) [] I am required to file the above Notice followed by a nomination petition containing at least _____ valid signatures due _____, 19_____.

(b) [] I am not required to submit a nomination petition, because I am:

[] Specify [Code § 34-1002]:

4. (a) [] I hereby tender check/cash in the amount of \$ _____.

(b) [] I am not required to pay a qualifying fee.

~~(c) [] I hereby file a pauper's affidavit in lieu of the qualifying fee.~~

