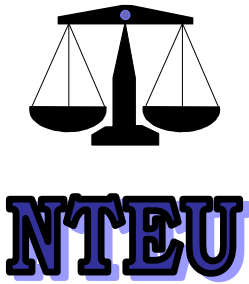


January 2003

# Alert!



## So What About This Raise.

*Edited from Mike Causey, FEDweek Senior Editor, Much Ado about the Raise*

It was clear from the beginning that Congress wanted civilians to get the same raise (4.1 percent as the military). And it was clear that the Bush administration wasn't going to war to defend the 2.6 percent amount he recommended.

With the lame duck Congress and the emphasis on homeland security it became apparent that the 4.1 percent raise was slipping away from feds. It appeared that the administration's intentional slip (allowing a 3.1 percent increase to take the place of the president's original proposal) would be the final verdict on federal pay. After all, if Congress adjourns without passing the appropriations bill containing the higher raise, that's that. Right? Wrong. Congress failed to pass the Fiscal Year 2003 Treasury-Postal Appropriations bill before leaving for the year. Both the Senate Appropriations Committee and the full House passed the 4.1 percent pay raise for federal employees earlier this year, leading many to believe that Congress will support the full 4.1 percent raise when it returns in early January, despite the President's wish to grant only a 3.1 percent pay raise.

We also know--from past experience--that the Three Musketeers, Reps. Steny Hoyer (D-Md.), Tom Davis (R-Va.) and Frank Wolf (R-Va.) always, always outwit the Cardinal's (in this case the President's) men and always get a bigger pay raise for feds. They outfoxed the Clinton administration seven out of seven times, and did it last year with President Bush's proposal. According to the Congressmen, Congress will likely pass a bill to provide federal workers with 1 percent locality pay, in addition to a 3.1 percent across-the-board increase, for a total 4.1 percent pay increase, when it returns in early January, and that the pay raise is expected to be retroactive to January 1<sup>st</sup> of 2003. Will the same thing happen again next year? The suspense, the drama leading to a pre-ordained conclusion? The answer is probably yes.

Chapter 52

## **No to Federal Employees, Oh Yes! To Political Appointees.**

Congressional Democrats and Republicans have sent a message to President Bush to reconsider his decision to award cash bonuses to top political appointees and to restore the scheduled pay increases to federal workers.

Tom Daschle, Senate Democratic Leader from South Dakota and incoming House Democratic Leader Nancy Pelosi of California in a statement have accused Bush of rewarding political friends at the expense of federal workers.

"This action, on top of the administration's decision this week to postpone sending \$1.5 billion for anti-terrorism assistance to local police departments, demonstrates a pattern of disrespect and broken promises to those workers on the front line in the domestic war against terrorism," Pelosi said. Daschle has commented that the administration has its priorities wrong. "These kinds of cash bonuses to political appointees were banned because they were abused in the past," Daschle said.

On Wednesday the White House said that it had reinstated a policy making about 2,000 political appointees across the federal government eligible for the same cash bonuses available to civil servants. About 1.8 million civil servants are eligible for the bonuses, which can be as much as \$15,000.

Now how many civil servants do you know or heard of, that have received or are eligible for \$15,000 bonus? One source has stated that the appointees can receive up to \$25,000. Don't most, if not all, political appointees have high paying jobs? What about the lower scaled employees who get by just providing for their families? Aren't they more deserving? Let's pick 9,000 of them this year, and the next year we can pick another 9,000 and so on. The rest of us can get our 4.1 and go about our business.

As reported in last month, President Bush declared that large pay hikes for government employees would threaten America's efforts in the **war on terrorism** and therefore has reduced raises that federal workers were to receive in January. White House spokesman Ari Fleischer told reporters it has been a long-standing practice to treat political employees and civil servants the same.

Things get a little fuzzy inside the DC "Belt Line". This doesn't seem to be treating everyone equally. So what part are we missing? The appointees must be fighting a different (and cheaper) war on terrorism than the rest of us.

White House Chief of Staff Andrew Card issued a memo restoring the bonus policy on March 29, 2002, but it was not made public at the time. The policy's reinstatement was first reported in The New York Times in early December. The policy was discontinued for eight years under former President Clinton due to possibilities and presumptions of abuse.

Bush said granting the full raises to the federal employees would cost about \$13.6 billion in 2003, or \$11.2 billion more than he proposed for the year - a cost the nation can't bear as it continues to battle the war against terror. It has been reported the amount of funds needed for the 4.1 percent pay raise is less than one-percent of the Pentagon's annual budget.

Let's hope that the Three Musketeers (see story page 1), can save our bacon.

## **OPM ASKED TO PROVIDE DETAILS ON NUMBER AND AMOUNT OF POLITICAL APPOINTEE BONUSES**

*Follow up story from FEDmanager December 17, 2002*

In the wake of the recent revelation that the Bush Administration has approved a policy allowing approximately 2,000 political appointees to receive cash bonuses, Office of Personnel Management (OPM) Director Kay Coles James is being asked to provide details on who is benefiting and by how much. Specifically, Rep. Steny Hoyer (D-Maryland) has asked Director James to provide: (1) the number of political appointees, by agency, who are eligible to receive a bonus; (2) the average annual salary, by agency, of political appointees eligible to receive a bonus; (3) the number of political appointees, by agency, who received or are scheduled to receive a within grade increase in 2002; (4) the number of political appointees, by agency, who received a bonus in 2002; and (5) the monetary amount awarded in bonuses, by agency, to political appointees.

The practice of allowing political appointees to receive such bonuses was discontinued in 1994 because of concerns that it could be abused. While the Bush Administration reinstated the practice of allowing political appointees to receive cash awards in March of 2002, the change did not become known publicly until early December. The change in policy is proving controversial, with some expressing concern that political appointees may receive bonuses for their connections and loyalty rather than their work performance. The Bush Administration, however, is defending the move, saying that political appointees should be rewarded with bonuses for their hard work, just as career federal employees are.

## **OPM DIRECTOR A PROPONENT OF TELEWORK**

*From FEDmanager article dated December 5, 2002*

In the wake of a challenge by President Bush for government to embrace creative E-government solutions, Kay Coles James, Director of the Office of Personnel Management, is emphasizing her commitment to telework, as part of her goal of providing federal employees with a work environment that is business savvy, productive, and family-friendly.

In a recent visit to a Bowie, Maryland, federal Telework center, Director James noted that telework is a flexibility that more and more businesses are offering to recruit and retain their best workers, and the government has to make better use of the technology in order to be a competitive employer in the 21st Century. "I think managers and employees should work closely to identify opportunities that utilize telecommuting as a viable means for effectively conducting the government's business," said Director James.

*(Editor's Note: Telework, that's Flexiplace for you and me. See the National Agreement, Article 50, for additional information.)*

# **BOOZ ALLEN STUDY VALIDATES FLEXIPLACE**

*As reported in the NTEU ~ NEWS, NTEU 239 by Bob Sutton ~ Editor*

Booz-Allen has produced a study based on a Flexiplace/Telework Survey that was sent electronically to managers earlier this year. The web-based survey was conducted pursuant to an OPM requirement, and it is expected that results will benefit the flexiplace program by providing data needed for planning purposes and identifying potential problems. The survey was sent to 10,271 managers with 5,045 responding, resulting in a 49% response rate.

The survey revealed that 11,434 bargaining unit employees work Situational Flexiplace, 6,369 bargaining unit employees work Occupational Flexiplace and 6,552 work Ad Hoc Flexiplace. According to the survey, 770 non-bargaining unit employees work Situational Flexiplace, 228 work Occupational Flexiplace and 5,574 work Ad Hoc Flexiplace.

The survey results demonstrated that Occupational and Situational Flexiplace participants need improved Internet access, e-mail access, telecommunications equipment, computers and other office equipment. The results also show that most participants adhere to flexiplace policies and procedures.

Flexiplace is seen as providing improved employee morale, greater work life balance and environmental benefits. While managers identified isolation and funding as program shortcomings, managing flexiplace employees effectively is regarded as their greatest challenge – and this worries NTEU locally and nationally. At the last round of term negotiations, management came to the table looking for several contract limitations on the flexiplace program to help them manage. NTEU rejected their complaints on the grounds that IRS could not substantiate them. This report will continue a focus on that issue and it is likely to be on the table again when we reopen the contract.

Booz-Allen recommendations include providing training on managing employees remotely, developing automated processes for data gathering concerning flexiplace participation through time and attendance or the payroll system, addressing reports of technical difficulties and the need for improved e-mail and internet access, and recognizing opportunities to increase flexiplace participation.

## **A PUSH FOR LARGER GOVERNMENT SHARE OF FEHBP PREMIUMS**

*A story from FEDmanager dated December 17, 2002*

Federal employees may get some relief on the amount they pay for their health insurance next year, if Representative Steny Hoyer (D-Maryland) has his way. Last week, Rep. Hoyer announced that he will reintroduce legislation in the upcoming 108th Congress to increase the Government's contribution to the cost of the Federal Employees Health Benefits Program (FEHBP) premiums. Currently, the government contributes approximately 72 percent of the premium cost, with federal employees paying the remainder. Under legislation that Rep. Hoyer first introduced on March 29, 2001, though, the Government's share would increase from 72 percent to 80 percent. The move is designed to help offset the rising cost of the FEHBP premiums. FEHBP Premiums will rise by an average of 11.1 percent in 2003. They rose by 13.3 percent in 2002.

## When You Don't Like the Rules...Change Them!

As reported in the October 2002 *ALERT! Is it "Privatization" or is it "Contracting Out"?*, the A-76 process is how the government determines which jobs can be resourced out. The following is a letter from National NTEU President Colleen Kelley.

November 20, 2002

### MEMORANDUM

TO: Chapter Presidents and Legislative Coordinators

RE: Bush Administration's Proposed Revisions to A-76 process

SUMMARY: The Office of Management and Budget (OMB) recently released its proposal for reforming the A-76 process. NTEU believes that the Administration's new A-76 proposal, which seeks to contract out at least 850,000 federal employee jobs, is reckless and we will be submitting our comments to OMB.

The Office of Management and Budget (OMB) has recently published in the Federal Register a draft proposal for reforming A-76, the process used to determine whether government jobs should be privatized. The proposal, which coincidentally was released a day after the House of Representatives approved the President's plan to allow him to deny federal employees their civil service protections and collective bargaining rights in the new Department of Homeland Security, seeks to open up more than 850,000 federal employee jobs to private contractors. Copies of the A-76 proposed revisions and the Federal Register notice announcing the changes are available on OMB's web site at [www.whitehouse.gov/omb/](http://www.whitehouse.gov/omb/).

As evidence that this Administration cares more about privatizing the government workforce than delivering high quality services to the taxpayers, OMB is only allowing for 30 days (ending December 19<sup>th</sup>) for federal employees, unions, and other members of the public to comment on its dramatic new privatization initiative before the new procedures take effect on January 1, 2003. At this point, OMB claims the new procedures will not affect A-76 competitions already underway before January 1st. NTEU staff is currently reviewing the 62-page A-76 revision and will be submitting extensive comments to OMB.

Currently, there are roughly 850,000 federal jobs deemed by agencies as "commercial in nature" and listed on agencies' FAIR Act inventories. However, under the Administration's proposed new A-76, that number is bound to increase because the Administration's new policy with regard to federal jobs is that **ALL** activities performed by federal employees are now considered "commercial in nature," and thus eligible for privatization, unless agencies justify that the jobs are inherently governmental. Presuming that all government jobs are commercial, and not inherently governmental, is a sweeping change in federal procurement policy, which can only lead to a major downsizing of the federal workforce.

The proposed new A-76 sets unrealistic time constraints for agencies — emphasizing speed in privatizing federal jobs at the expense of quality and costs — by forcing them to complete public-private competitions within 12 months, or else the jobs will be contracted out without competition. And the Administration’s new A-76 gives contracting officers even more discretion in making contract awards to contractors based on political favoritism, rather than based on what is in the best interests of the taxpayers. Not surprisingly, absent from the Administration’s proposal are changes that NTEU has long advocated such as: more accountability and oversight of contractors, guaranteed opportunities that federal employees will be able to compete in defense of their jobs before they are contracted out, and appeal rights for federal employees and their union representatives to challenge faulty contract awards.

It is no secret that the Administration has already been forcing agencies to comply with their contracting out quotas that are aimed at opening up 425,000 federal jobs to the private sector. The Administration’s rewrite of A-76 now makes clear that their real objective is to privatize, with or without competition, more than 850,000 federal jobs, and ultimately a majority of the federal workforce.

Colleen M. Kelley  
National President

## **Around the Office**

*By Chapter 52 Alert! Editor*

The thrust of the *Chapter 52 Alert!* has been on issues which are near and dear to all of us – money and job security, for that is the reason we are here. I have made some casual inquires on what other issues are of interest and the answers were, “what is going on around here?”, “what is Chapter 52 doing?” Although we (stewards and officers) remain busy addressing what seems like endless topics, due to privacy issues the reporting of our efforts becomes difficult. Management bashing, common in other chapter’s newsletters, would be easy and endless, since management gives us so much fodder to work with, would not accomplish much. Any comments made are to provoke thoughtful questions.

So let’s see what we can tell ya about what is going on around here:

The search for a new building in San Antonio is on it’s way. The search site boundaries are: Loop 410 to the South, Loop 1604 to the North, IH-10 to the West and Hwy 281 (San Pedro) to the East. Bid requests will go out soon, then a committee will visit each building. The lease award is tentatively scheduled for April 15, 2003. Actual move into new building is tentatively scheduled for end of October. I will keep you informed as events occur.

Jason Kruger has been appointed as the Union Steward for the Corpus Christi Post of Duty and Newell Binon in the FOB Austin.

Several employees have hired attorneys to address EEO concerns. You cannot address grievances concurrently through the Union grievance process and EEO, you must chose one or the other. If you are having a problem, contact the Union office for assistance to help you determine which avenue would be best for you.

An employee filed a grievance due to the selection process of a Promotion Package. It appears management made a major mistake in the calculation process. The grievance is tentatively settled by giving the employee priority consideration on the next vacancy announcement.

Due to the MITS realignment, San Antonio will have four employees for computer support instead of the original two scheduled.

In another case, management failed to follow the correct procedures in an attempt to keep a member from receiving a timely in grade step increase. A grievance was filed and shortly settled correcting the error. Other pending grievances for this member were also settled at the same time to everyone's satisfaction.

Several employees have been called to TIGTA on various investigations. A Union steward was notified and attended the interview with the employees. Remember, always contact us if you are contacted by TIGTA or management for an investigative interview, no matter how trivial you may think of the issue.

Grievances Filed include:

Management is attempting to remove a member from Flexiplace without following the correct procedures or due process. It seems the manager believes the local negotiated Flexiplace agreement is no longer in effect or does not pertain to them. Please review current contract, Article 54, Section 2A, which states all local agreements remain in effect with new contract.

Follow up on the November 2002 *Alert!*, article ***Your Rights and the Field Trip Visitation***, regarding the lack of management's right to ride in the employee's vehicle on field visits. Chapter President Tom Jones, contacted Area Director Glenn Henderson asking him to issue a similar directive as issued in the Chicago area. To date Mr. Henderson has failed to respond and a grievance has been filed on the behalf of a member.

Discussions continue on why some managers have made changes in case review Form 5188, by adding a numerical score to each case reviewed. We are unable to determine how the score was calculated, what CJE it pertains to or what authority/directive/guidelines were given to implement the procedure. We will let you know as soon as we find out ourselves.

A settlement has not been reached, therefore the following grievances are pending Arbitration:

1) A management requirement for employees to detail administration time spent during each work day. The Union contends there is no IRM requirement nor did management negotiate impact and implementation.

2) The disparate treatment of Union Stewards by management. Management finds it difficult to separate the employee's job from their work as a Union Steward.

3) The failure of negotiate changes in working conditions on a variety of issues.

I hope this has been informative and I will try to keep you informed as issues and settlements continue.

## Update on TSP Catch-up:

As reported in the December 2002 *ALERT!*, *TPS Catchup Deal – Even Better than you Thought!*

President Bush has signed into law the Thrift Savings Plan (TSP) "catch-up" contributions bill, H.R. 3340. The new law allows federal employees age 50 and older to contribute an additional \$2,000 to the TSP next year than their younger counterparts. Information for signing up will be available in the Spring (April) TPS open season for eligible employees.

## C Fund Posts Worst Year to Date

*FEDweek Issue, Wednesday, January 8, 2003.*

The Thrift Savings Plan in 2002 posted the worst calendar year since the TSP's inception 15 years ago, dropping 22.05 percent after a 5.85 percent loss in December. The loss was the third straight losing year for the C fund, which dropped 9.14 percent in 2000 and 11.94 percent in 2001. The other two stock-oriented TSP funds also suffered substantial losses in 2002—the international stock (I) fund was down 15.98 percent after losing 3.27 percent in December and the small and mid-capitalization stock (S) fund was down 18.14 percent after a 4.32 percent loss in December. Meanwhile, the bond (F) fund gained 2.08 percent in December for a 10.27 percent 12-month gain while the government securities (G) fund gained 5 percent for the year after a 0.38 percent December gain.

The Thrift Savings Plan still is making no promises regarding when it will make its long-stalled new computer system operative. Until the new system is up and running, the program remains a monthly valued system, meaning that accounts are tabulated only at the end of each month and transactions such as interfund transfers can occur only monthly, not daily as is the standard in mutual funds and in private sector 401(k) retirement savings plans. The "daily valuation" feature is one of the most eagerly anticipated changes linked to that system, since it will allow transactions as often as every business day for interfund transfers and loans and withdrawals. The new system also will bring several changes in loan and withdrawal policies, including the option to take partial withdrawals and to mix and match withdrawal options.



### THE FUNDS – Rates of Return

<http://www.tsp.gov/>



Rates of Return were updated on **January 6, 2003**.

	G Fund	F Fund	C Fund	S Fund	I Fund
December 2002	0.38%	2.08%	(5.85%)	(4.32%)	(3.27%)
<u>Last 12 Months*</u> (1/1/2002 - 12/31/2002)	5.00%	10.27%	(22.05%)	(18.14%)	(15.98%)

\* The G, F, C, S, and I Fund returns for the last twelve months assume, except for the crediting of earnings, unchanging balances (time-weighting) from month to month, and assume earnings are compounded on a monthly basis.



## TOM'S HUMOR (Trivia) PAGE

### Why do golf balls have dimples?

So that they look cute? NO!

Because the dimples maximize the distance golf balls travel. Dimpled balls travel up to four times farther than smooth-surfaced golf balls.

In the early days of golf, smooth-surfaced balls were used until golfers discovered that old, bumpy balls traveled longer distances. The science of aerodynamics helps explain the dimpled phenomenon. The dimples reduce the drag on a golf ball by redirecting more air pressure behind the golf ball rather than in front of it. The higher levels of pressure behind the golf balls force them to go far distances. The dimples change the levels of pressure by bringing the main air stream very close to the surface of the golf ball. The dimples, or "turbulators," increase the turbulence in the layer of air located next to the surface of the ball. This high-speed air stream near the ball increases the amount of pressure behind the ball-thereby forcing the ball to travel farther.

### Why are the rows on a calculator arranged with the lowest numbers at the bottom, and why are telephone keypads arranged the other way, with the lowest numbers at the top?

Mechanical adding machines, based on rotating wheels, always have the 0 button adjacent to the 1 button. By convention, most old adding machines had the numbers increasing in value from the bottom. When the numbers were put onto a pad arranged as a 3 by 3 grid with one left over, the order of the numbers was kept the same.

On a rotary telephone dial, the 0 comes adjacent to the 9 because a 0 in the telephone number is signalled by 10 pulses on the line. When telephones acquired push buttons in a grid, the ordering of the buttons was carried over from the old telephone dial.

### Why do clocks run Clockwise?

Mechanical clocks were invented in the northern hemisphere by inventors who were trying to make models of the sun's movement in the sky. To watch the sun from the northern hemisphere, you have to face south. Then the sun will rise on your left and pass over your head to set on your right. Since the hour hand on the clock was made to follow the sun's motion through the sky, it moves from left to right over the top of the clock - clockwise. The hands are actually modeled after the shadow on a sundial.





Chapter 52 *Alert!*, all the news that is fit to be copied!

This **Chapter 52 *Alert!*** and all ***Alerts!*** since January 2001, can be found on our

Chapter Web Page at <http://www.nteu52.org/>

You can e-mail any Chapter officer, staff member or steward from the site.

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