

96th Congress }
2d Session }

COMMITTEE PRINT

{ COMMITTEE
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LEGISLATIVE REVIEW
OF THE
COMMITTEE ON POST OFFICE
AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
DURING THE
NINETY-SIXTH CONGRESS
FIRST SESSION



APRIL 15, 1980

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Committee on Post Office and Civil Service

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NOTE.—The chairman and ranking minority member are ex officio nonvoting members of all legislative subcommittees on which they do not hold a regular assignment.

LEGISLATIVE AND REVIEW ACTIVITIES OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

96TH CONGRESS (FIRST SESSION)

COMMITTEE JURISDICTION AND ORGANIZATION

Under the Rules of the House for the 96th Congress, the Committee on Post Office and Civil Service has jurisdiction over the U.S. Postal Service; the Postal Rate Commission; the Federal civil service, including the compensation, retirement, and other benefits of Federal employees and intergovernmental personnel; the Census and the collection of statistics; holidays and celebrations; and population and demography.

Under Public Law 93-191, an act to clarify the proper use of the franking privilege by Members of Congress, the committee also has responsibility for providing facilities and professional staff assistance to the House Commission on Congressional Mailing Standards.

The committee divided its jurisdiction among seven subcommittees: the Subcommittee on Investigations; the Subcommittee on Compensation and Employee Benefits; the Subcommittee on Human Resources (formerly the Subcommittee on Employee Ethics and Utilization); the Subcommittee on Civil Service, the Subcommittee on Postal Operations and Services; the Subcommittee on Postal Personnel and Modernization; and the Subcommittee on Census and Population.

This document sets forth the legislative and review accomplishments of the committee and its subcommittees.

LEGISLATION APPROVED BY THE COMMITTEE

PUBLIC LAWS

(Public Law 96-11 (H.J. Res. 262))

NATIONAL MUSEUM DAY

Summary

This legislation recognized the unique contributions museums make to the Nation's heritage and requested the President to designate May 18, 1979 as "National Museum Day."

Legislative history

May 15, 1979. Considered and passed House.

May 16, 1979. Considered and passed Senate.

May 18, 1979. Signed. Public Law 96-11.

(Public Law 96-13 (S.J. Res. 71))

NATIONAL HISTORIC PRESERVATION WEEK

Summary

This legislation authorized the President to designate the period of May 6 through 12, 1979 as "National Historic Preservation Week."

Legislative history

May 2, 1979. Considered and passed Senate.

May 10, 1979. Considered and passed House.

May 24, 1979. Signed. Public Law 96-13.

(Public Law 96-19 (H.R. 2805))

ETHICS IN GOVERNMENT ACT AMENDMENTS

Summary

This legislation makes technical and conforming changes to the financial disclosure provisions in the Ethics in Government Act of 1978 (P.L. 95-521), which requires officials in all three branches of the Federal government to make regular public reports pertaining to their assets and income. *See* House Report No. 95-1816, "Legislative and Review Activities of the Committee on Post Office and Civil Service," p. 21.)

Legislative history

May 2, 1979. Reported from the Committee on Post Office and Civil Service. House Report 96-114 Part I; Reported from the Committee on the Judiciary Part II.

May 14, 1979. Considered and passed the House under suspension of the rules.

May 23, 1979. Considered and passed Senate.

June 18, 1979. Signed. Public Law 96-19.

(Public Law 96-34 (H.J. Res. 353))

UNITED STATES SPACE OBSERVANCE WEEK

Summary

This legislation congratulated the men and women of the Apollo program upon the tenth anniversary of the first manned landing on the Moon and requested the President to proclaim the period of July 16 through 24, 1979 as "United States Space Observance Week."

Legislative history

July 9, 1979. Reported. House Report 96-320.

July 10, 1979. Considered and passed House.

July 12, 1979. Considered and passed Senate.

July 17, 1979. Signed. Public Law 96-34.

(Public Law 96-50 (H.J. Res. 19))

NATIONAL LUPUS WEEK

Summary

This legislation authorized and requested the President to designate the week of September 16 through 22, 1979, as "National Lupus Week."

Legislative history

July 17, 1979. Reported. House Report 96-340.

July 20, 1979. Considered and passed House.

August 2, 1979. Considered and passed Senate.

August 13, 1979. Signed. Public Law 96-50.

(Public Law 96-51 (H.J. Res. 209))

NATIONAL DIABETES WEEK

Summary

This legislation authorized and requested the President to designate the week of May 14 through May 20, 1979, as "National Diabetes Week."

Legislative history

July 17, 1979. Reported. House Report 96-341.

July 20, 1979. Considered and passed House.

August 2, 1979. Considered and passed Senate.
August 13, 1979. Signed. Public Law 96-51.

(Public Law 96-52 (S. 1818))

CENSUS BUREAU OFFICE LEASING EXEMPTION

Summary

This legislation provides that a 15 percent limitation shall not apply to leases entered into by the Census Bureau for the purpose of carrying out the 1980 census, but that no lease may be entered into at a rental in excess of 105 percent of the appraised fair annual rental or a proportionate part of the appraised fair annual rental in the case of a lease for less than a year.

Legislative history

August 1, 1979. Considered and passed Senate. Senate Report No. 96-277.

August 2, 1979. Considered and passed House.

August 13, 1979. Signed. Public Law 96-52.

(Public Law 96-54 (H.R. 4616))

TECHNICAL AMENDMENTS TO TITLE 5, U.S. CODE

Summary

This legislation makes technical and clerical amendments to title 5, United States Code.

Legislative history

July 10, 1979. Considered and passed House.

August 2, 1979. Considered and passed Senate. Senate Report 96-276.

August 14, 1979. Signed. Public Law 96-54.

(Public Law 96-62 (H.J. Res. 244))

NATIONAL GRANDPARENTS DAY

Summary

This legislation authorized and requested the President to issue annually a proclamation designating the first Sunday of September following Labor Day as "National Grandparents Day."

Legislation

July 27, 1979. Considered and passed House.

August 3, 1979. Considered and passed Senate.

September 6, 1979. Signed. Public Law 96-62.

(Public Law 96-65 (H.J. Res. 367))

NATIONAL MEALS ON WHEELS WEEK

Summary

This legislation authorized and requested the President to designate the period of September 16 through 22, 1979 as "National Meals on Wheels Week."

Legislative history

August 2, 1979. Considered and passed House.

September 14, 1979. Considered and passed Senate.

September 19, 1979. Signed. Public Law 96-65.

(Public Law 96-70 (H.R. 111))

PANAMA CANAL ACT OF 1979

Summary

This legislation provides for the operation and maintenance of the Panama Canal under the Panama Canal Treaty of 1977 between the United States of America and the Republic of Panama and for the implementation of the related agreements accompanying that Treaty.

Legislative history

May 21, June 20 and June 21, 1979. Considered and passed House.

July 26, 1979. Considered and passed Senate, amended.

September 19 and September 20, 1979. Senate considered and agreed to conference report.

September 20, 1979. House considered and rejected conference report.

September 25, 1979. Senate agreed to second conference report. Senate Reports 96-255 (Committee on Armed Services) and 96-320 and 96-330 (Committee of Conference).

September 26, 1979. House agreed to second conference report. House Reports 96-98, part 1 and 96-98, part 2 (Committee on Merchant Marine and Fisheries) and 96-438 and 96-473 (Committee of Conference).

September 27, 1979. Signed. Public Law 96-70.

(Public Law 96-80 (H.J. Res. 303))

NATIONAL PORT WEEK

Summary

This legislation authorized and requested the President to designate the seven calendar day period beginning October 7, 1979, as "National Port Week."

Legislative history

September 20, 1979. Considered and passed House.

October 2, 1979. Considered and passed Senate.

October 6, 1979. Signed. Public Law 96-80.

(Public Law 96-99 (H.J. Res. 3))

WILL ROGERS DAY

Summary

This legislation authorized and requested the President to designate November 4, 1979 as "Will Rogers Day" in commemoration of the one hundredth anniversary of the birth of William Penn Adair Rogers, the American philosopher-humorist.

Legislation

October 25, 1979. Considered and passed House.
 October 31, 1979. Considered and passed Senate.
 November 2, 1979. Signed. Public Law 96-99.

(Public Law 96-115 (H.J. Res. 68))

NATIONAL FAMILY WEEK

Summary

This legislation authorized and requested the President to designate the week beginning November 18, 1979, as "National Family Week."

Legislative history

November 8, 1979. Considered and passed House.
 November 9, 1979. Considered and passed Senate.
 November 16, 1979. Signed. Public Law 96-115.

(Public Law 96-119 (H.J. Res. 428))

NATIONAL CHILD ABUSE PREVENTION MONTH

Summary

This legislation authorized and requested the President to designate December 1979 as "National Child Abuse Prevention Month."

Legislative history

October 26, 1979. Considered and passed House.
 November 7, 1979. Considered and passed Senate.
 November 16, 1979. Signed. Public Law 96-119.

(Public Law 96-135 (H.R. 1885))

CIVIL SERVICE RETIREMENT FOR INDIAN AFFAIRS EMPLOYEES

Summary

This legislation amends Civil Service retirement provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and modifies the application of the Indian employment preference laws as it applies to those agencies.

Legislative history

October 26, 1979. Considered and passed House. House Report 96-370, Part 1 (Committee on Post Office and Civil Service) and Part 2 (Committee on Appropriations).

November 26, 1979. Considered and passed Senate.

December 5, 1979. Signed. Public Law 96-135.

(Public Law 96-136 (H.J. Res. 448))

SCOUTING RECOGNITION WEEK

Summary

This legislation proclaims the week of December 3 through 9, 1979 as "Scouting Recognition Week."

Legislative history

November 29, 1979. Considered and passed House.

December 4, 1979. Considered and passed Senate.

December 7, 1979. Signed. Public Law 96-136.

(Public Law 96-146 (H.R. 4732))

CAPITOL ARCHITECT'S PAY

Summary

This legislation fixes the annual rates of pay for the Architect of the Capitol and for the Assistant Architect of the Capitol.

Legislative history

September 10, 1979. Considered and passed House. House Report 96-349.

December 3, 1979. Considered and passed Senate.

December 14, 1979. Signed. Public Law 96-146.

(Public Law 96-147 (H.J. Res. 458))

NATIONAL UNITY DAY

Summary

This legislation authorizes and requests the President to issue a proclamation designating December 18, 1979, as "National Unity Day."

Legislative history

December 11, 1979. Considered and passed House.

December 13, 1979. Considered and passed Senate.

December 16, 1979. Signed. Public Law 96-147.

(Public Law 96-156 (S. 716))

RETIRED FEDERAL EMPLOYEES

Summary

This legislation amends the Retired Federal Employees Health Benefits Act, as amended, with respect to the Government contribution toward subscription charge.

Legislative history

May 22, 1979. Considered and passed Senate. Senate Report 96-154.
December 17, 1979. Considered and passed House.
December 27, 1979. Signed. Public Law 96-156.

(Public Law 96-166 (H.R. 5015))

FEDERAL PHYSICIANS COMPARABILITY ALLOWANCE ACT AMENDMENTS

Summary

This legislation amends title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978.

Legislative history

December 10, 1979. Considered and passed House. House Report 96-683.
December 20, 1979. Considered and passed Senate.
December 29, 1979. Signed. Public Law 96-166.

(Public Law 96-179 (H.R. 2584))

SURVIVOR BENEFITS FOR DEPENDENT CHILDREN

Summary

This legislation amends provisions of chapters 83 and 89 of title 5, United States Code, which relate to survivor benefits for certain dependent children.

Legislative history

October 22, 1979. Considered and passed House. House Report 96-499.
December 20, 1979. Considered and passed Senate; amended; House agreed to Senate amendments. Senate Report 96-503.
January 2, 1980. Signed. Public Law 96-179.

LEGISLATION PASSED BY THE HOUSE AND BY THE
SENATE

(H. CON. RES. 167)

Summary

This resolution expresses the sense of the Congress that the President should express to the Government of the Soviet Union the disapproval of the American people concerning that Government's systematic nondelivery of international mail addressed to certain persons residing within the Soviet Union, that the Department of State should pursue this matter at the diplomatic level with the Soviet Union and other countries, and that the United States delegation to the next Congress of the Universal Postal Union seek the compliance of the Government of the Soviet Union with the Acts of the Universal Postal Union.

Legislative history

September 24, 1979. Reported to House. H. Rept. 96-449.

September 26, 1979. Passed House.

October 10, 1979. Referred to Senate Committee on Foreign Affairs.

October 10, 1979. Reported to Senate from Senate Committee on Foreign Affairs.

October 10, 1979. Passed Senate.

LEGISLATION NOT APPROVED BY THE HOUSE

(H.R. 5870)

SECOND CAREER TRAINING FOR AIR TRAFFIC
CONTROLLERS

Summary

This bill would have revised second-career training programs for Air Traffic Controllers.

Legislative history

December 6, 1979. Reported. House Report 96-691.

December 11, 1979. Failed to pass House under suspension of the rules.

(11)

LEGISLATION PENDING IN THE HOUSE

(H.R. 5461)

MARTIN LUTHER KING BIRTHDAY HOLIDAY

Summary

This legislation would designate January 15, the birthday of Dr. Martin Luther King, as an annual legal public holiday.

Legislative history

October 23, 1979. Reported. House Report 96-543.

November 13, 1979. Considered and failed of passage under suspension of the rules.

December 4, 1979. H.Res. 497, granting open rule, reported.

December 5, 1979. House completed general debate and began reading amendments.

(H.R. 1262)

AIR TRAFFIC CONTROLLERS

Summary

This legislation amends title 5, United States Code, to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement and for other purposes.

Legislative history

November 14, 1979. Ordered reported to House.

December 20, 1979. Reported to House. House Report 96-726, part I.

December 20, 1979. Referred to Committee on Government Operations for a period ending not later than May 15, 1980.

(H.R. 4717)

CONTRACTING-OUT

Summary

This legislation amends title 5, United States Code, to provide for adjustments to Federal personnel ceilings based upon the extent that Federal functions are contracted out, to provide that performance in administering personnel ceilings and contracting-out requirements are taken into account in evaluating the performance of Federal executives and managers, and for other purposes.

Legislative history

November 14, 1979. Ordered reported to the House, amended.

December 20, 1979. Reported to House. House Report 96-729, Part I.

December 20, 1979. Referred to Committee on Government Operations for a period ending not later than May 15, 1980.

LEGISLATION PASSED BY THE HOUSE AND PENDING
BEFORE THE SENATE

(H.R. 79)

POSTAL REFORM

Summary

This bill would effect the first major revision of the Postal Reorganization Act of 1970. The bill provides for Presidential appointment of the Postmaster General, abolishes the Board of Governors, authorizes increased public service appropriations and gives the Postal Rate Commission final authority on rates, fees, mail classification and other matters currently decided by the Board of Governors.

Legislative history

May 8, 1979. Reported. House Report 96-126.

September 7, 1979. Considered and passed House with amendments.

September 10, 1979. Referred to Senate Committee on Governmental Affairs.

(H.R. 827)

POSTAL SUPERVISORS

Summary

This bill would establish an arbitration board to settle disputes between postal supervisors and other managerial personnel and the Postal Service.

Legislative history

June 5, 1979. Reported. House Report 96-234.

July 10, 1979. Considered and passed House under suspension of the rules.

July 12, 1979. Referred to Senate Committee on Governmental Affairs.

(H.R. 3777)

THE CONGRESSIONAL FRANK

Summary

This bill would amend provisions of title 39, United States Code, relating to the use of the frank.

Legislative history

June 18, 1979. Reported. House Report 96-281.

October 9, 1979. Considered and passed House under suspension of the rules.

October 10, 1979. Referred to Senate Committee on Governmental Affairs.

(H.R. 2583)

ANNUITY PAYMENTS TO FEDERAL JUDGES*Summary*

This bill would amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments to former Civil Service employees who are appointed as justices or judges of the United States.

Legislative history

September 21, 1979. Reported. House Report 96-467, part 1.
September 21, 1979. Referred to Committee on Appropriations.
October 17, 1979. Reported. House Report 96-467, part 2.
October 29, 1979. Considered and passed House under suspension of the rules.
October 30, 1979. Referred to Senate Committee on Governmental Affairs.

(H.R. 826)

**OCCUPATIONAL SAFETY AND HEALTH IN THE
POSTAL SERVICE***Summary*

This bill would amend title 39, United States Code, to provide that the United States Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970.

Legislative history

September 28, 1979. Reported. House Report 96-487.
October 23, 1979. Referred to Senate Committee on Governmental Affairs.

(H.R. 4064)

POSTAL VEHICLE LEASING*Summary*

This bill would amend title 39, United States Code, to provide that owners of motor vehicles leased by the United States Postal Service shall be exempt from the payment of state taxes and fees on those vehicles.

Legislative history

September 28, 1979. Reported. House Report 96-488.
October 22, 1979. Considered and passed House under suspension of the rules.
October 23, 1979. Referred to Senate Committee on Governmental Affairs.

(H.R. 5176)

GAO INDEPENDENT PERSONNEL SYSTEM

Summary

This bill would establish an independent personnel system for employees of the General Accounting Office.

Legislative history

October 2, 1979. Report. House Report 96-494.

October 15, 1979. Considered and passed House with amendments under suspension of the rules.

October 16, 1979. Referred to Senate Committee on Governmental Affairs.

(H.R. 5188)

CIVIL SERVICE AUTHORIZATIONS

Summary

The bill would establish fixed authorizations for the Office of Personnel Management, the Merit Systems Protection Board, the Office of Special Counsel and the Federal Labor Relations Authority. These authorizations would replace the permanent, open-ended authorizations in current law.

Legislative history

October 22, 1979. Reported. House Report 96-540.

December 3, 1979. Considered and passed House, with amendments, under suspension of the rules.

December 4, 1979. Referred to Senate Committee on Governmental Affairs.

(H.R. 5678)

CERTIFIED MAIL AUTHORITY

Summary

The bill would authorize the National Labor Relations Board to use certified mail in lieu of registered mail under certain circumstances.

Legislative history

November 27, 1979. Reported. House Report 96-659.

December 3, 1979. Considered and passed House under suspension of the rules.

December 4, 1979. Referred to Senate Committee on Governmental Affairs.

(H.J. RES. 434)

Summary

This resolution authorizes and requests the President to issue a proclamation designating April 6 through 12, 1980, as "National Medic Alert Week."

Legislative history

November 29, 1979. Passed House.

November 30, 1979. Referred to Senate Committee on the Judiciary.

SENATE LEGISLATION REFERRED TO THE
COMMITTEE

(S. 383 (H.R. 2950))

SOIL CONSERVATION

Summary

This legislation amends title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes.

Legislative history

May 15, 1979. Reported to Senate from Senate Committee on Government Affairs. Senate Report 96-155.

May 22, 1979. Passed Senate.

May 24, 1979. Referred to House committee.

July 24, 1979. Subcommittee hearing.

(S. 387 (H.R. 2589))

FEDERAL EMPLOYEE-ATHLETES

Summary

This legislation amends title 5 of the U.S. Code to provide paid leave for a Federal employee participating in certain athletic activities as an official representative of the United States.

Legislative history

May 15, 1979. Reported to Senate from Senate Committee on Government Affairs. Senate Report 96-156.

May 23, 1979. Passed Senate.

May 30, 1979. Referred to House committee.

October 29, 1979. Subcommittee hearing.

December 5, 1979. Subcommittee ordered bill reported to full committee.

(S. 1110)

CHILDREN'S PUBLICATIONS

Summary

This legislation would include home delivery of children's publications in the existing rates for children's publications sent to schools.

Legislative history

August 1, 1979. Reported to Senate from Senate Committee on Governmental Affairs. Senate Report 96-282.

October 30, 1979. Passed Senate.

October 31, 1979. Referred to House committee.

(S.J. RES. 40 (H.J. RES. 159))

NATIONAL ARBOR DAY*Summary*

This resolution authorizes the President to proclaim annually the last Friday of April as "National Arbor Day."

Legislative history

December 18, 1979. Reported to Senate from Senate Committee on the Judiciary. Senate Report 96-529.

December 20, 1979. Passed Senate.

December 31, 1979. Referred to House committee.

(S.J. RES. 41 (H.J. RES. 118))

NATIONAL FAMILY WEEK*Summary*

This resolution authorizes the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

Legislative history

August 2, 1979. Reported to Senate Committee on the Judiciary.

August 3, 1979. Passed Senate.

September 5, 1979. Referred to House committee.

(S.J. RES. 43 (H.J. RES. 220))

NATIONAL ENERGY EDUCATION DAY*Summary*

This legislation would proclaim March 21, 1980 as "National Energy Education Day."

Legislative history

July 31, 1979. Reported to Senate from Senate Committee on the Judiciary. Senate Report 96-279.

August 2, 1979. Passed Senate.

September 5, 1979. Referred to House committee.

(S.J. RES. 61 (H.J. RES. 295))

NATIONAL OCEANS WEEK*Summary*

This resolution authorizes the President to issue a proclamation designating the week beginning May 20 through May 26, 1979 as "National Oceans Week."

Legislative history

April 9, 1979. Passed Senate.

April 10, 1979. Referred to House committee.

(S.J. RES. 63 (H.J. RES. 339))

FOOD FOR PEACE YEAR

Summary

This resolution designates the year of 1979 as the "Food for Peace Year."

Legislative history

May 16, 1979. Reported to Senate from Senate Committee on the Judiciary. Senate Report 96-189.

May 22, 1979. Passed Senate.

May 24, 1979. Referred to House committee.

(S.J. RES. 69 (H.J. RES. 350))

PRODUCT SAFETY WEEK

Summary

This resolution authorizes and requests the President to proclaim the week of June 17 through 23, 1979 as "Product Safety Week."

Legislative history

May 16, 1979. Reported to Senate from Senate Committee on the Judiciary. Senate Report 96-190.

May 22, 1979. Passed Senate.

May 24, 1979. Referred to House committee.

(S.J. RES. 74)

CARE DAY

Summary

This resolution authorizes and requests the President to issue a proclamation designating May 11, 1979 as "Care Day."

Legislative history

May 7, 1979. Passed Senate.

May 8, 1979. Referred to House committee.

(S.J. RES. 90)

NATIONAL RECREATION AND PARKS WEEK*Summary*

This resolution provides for the designation of a week as "National Recreation and Parks Week."

Legislative history

September 11, 1979. Reported from Senate Committee on the Judiciary. Senate Report 96-315.

September 17, 1979. Passed Senate.

September 19, 1979. Referred to House committee.

(S.J. RES. 97)

HOLOCAUST VICTIMS*Summary*

This resolution designates April 13 through April 19 as "Days of Remembrance of Victims of the Holocaust."

Legislative history

September 14, 1979. Reported to Senate from Senate Committee on the Judiciary. Senate Report 96-317.

September 14, 1979. Passed Senate.

September 17, 1979. Referred to House committee.

(S.J. RES. 107 (H.J. RES. 392))

JUNIOR ACHIEVEMENT WEEK*Summary*

This resolution authorizes and requests the President to issue proclamations designating the weeks of January 21 through January 27, 1979, and January 20 through January 26, 1980 as "Junior Achievement Week."

Legislative history

November 6, 1979. Reported to Senate from Senate Committee on the Judiciary. Senate Report 96-401.

November 14, 1979. Passed Senate.

November 15, 1979. Referred to House committee.

(S.J. RES. 109 (H.R. RES. 436))

AMERICAN ENTERPRISE DAY

Summary

This resolution authorizes the President to proclaim November 16, 1979 as "American Enterprise Day."

Legislative history

October 31, 1979. Reported to Senate from Senate Committee on the Judiciary.

October 31, 1979. Passed Senate.

November 1, 1979. Referred to House committee.

(S. Con. Res. 20 (H. Con. Res. 100))

ROCKVILLE, MARYLAND

Summary

This resolution commends the City of Rockville, Maryland.

Legislative history

June 4, 1979. Reported from Senate Committee on the Judiciary. Senate Report 96-198.

June 13, 1979. Passed Senate.

June 15, 1979. Referred to House committee.

SUBCOMMITTEE ON INVESTIGATIONS

SUBCOMMITTEE JURISDICTION

The subcommittee's jurisdiction includes the investigation, review and study, on a continuing basis, of the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee.

SUBCOMMITTEE ACTIVITIES

During the first session of the 96th Congress, the subcommittee conducted reviews of 17 matters. Those relating to the U.S. Postal Service included:

(1) The failure of the Soviet Union to adhere to international mail procedures;

(2) Effectiveness of enforcement programs under the authority of the mail fraud statutes;

(3) Investigation of charges of discrimination in the Pittsburgh, Pennsylvania, Post Office;

(4) The Postal Inspection Service's investigation of charges brought against the management at the Dallas Bulk Mail Center;

(5) Use of national security mail covers by the U.S. Postal Service;

(6) Use of motorized mail routes by the U.S. Postal Service; and

(7) Employee concerns at the District of Columbia Post Office.

Other matters included:

(1) Reports of widespread sexual harassment of Federal employees;

(2) Use of toxic chemicals at U.S. Air Force installations;

(3) Proposed distribution of the Census Bureau's "long form" questionnaire;

(4) Management of personnel by the Nuclear Regulatory Commission;

(5) Implementation of personnel cutbacks by the U.S. Customs Service;

(6) The Federal paperwork burden;

(7) An inquiry into the impact of the personnel reorganization occurring at Fort Huachuca, Ariz.;

(8) The administration of the incentive awards program of the Federal government;

(9) A review of the contracting-out procedures of the Department of Energy and a study of psychiatric fitness for duty examinations; and

(10) A review of the security clearance program of the United States Government.

SEXUAL HARRASSMENT OF FEDERAL EMPLOYEES

Following publication of an unofficial Department of Housing and Urban Development employee survey alleging widespread sexual harassment of women employees, the Chairman directed the subcommittee staff to investigate the extent of sexual harassment in the Federal workplace.

After receiving testimony from Federal agency representatives, women's groups and private consultants at hearing on October 23, November 1 and November 13, 1979, the subcommittee recommended that the Office of Personnel Management define sexual harassment, declare it a prohibited personnel practice and provide training to sensitize Federal managers to the problem and to remedies and penalties.

The Office of Personnel Management has agreed to implement the subcommittee's recommendations and the Merit Systems Protection Board has agreed to conduct an official survey. The subcommittee anticipates a continuing oversight role on this subject.

1980 CENSUS QUESTIONNAIRE DISTRIBUTION

The subcommittee held a hearing July 31, 1979, to determine whether the Census Bureau's proposed "long form" distribution scheme for the 1980 Census would unduly burden persons residing in rural communities. The "long form" is a 61-question, 19-page questionnaire; the "short form" has 19 questions and four pages.

The proposal at issue would have sent the "long form" to every other household in rural communities with populations of less than 5,000, but to only one out of every five urban households.

The outcome of the hearing was an agreement by the Bureau of Census to limit the heavy distribution of "long forms" to communities with populations of less than 2,500. Census Bureau representatives testified that this level of concentration was needed to protect the claims of those small communities to revenue sharing funds.

MAIL FRAUD

U.S. Postal Service estimates that mail users are bilked of more than \$500 million annually through mail fraud schemes prompted a November 7, 1979, subcommittee hearing on methods of dealing with this growing problem.

After evaluating testimony received at the hearing, the subcommittee recommended legislation that would aid the initial investigation of suspicious promotions and improve the effectiveness of civil sanctions. In pertinent part, the draft legislation would:

Authorize postal inspectors to appear at a promoter's place of business and purchase a product advertised for delivery by mail;

Prevent mail promoters from evading mail delivery "stop orders" by simply changing their mailing address; and

Subject persons or corporations subject to "stop orders" to fines of \$10,000 for each violation.

MOTORIZED POSTAL ROUTES

As a result of dramatic increases in fuel prices during the summer of 1979, the subcommittee initiated a review of the U.S. Postal Service's use of motorized delivery routes in urban areas previously served by foot carriers. The primary focus of the investigation is on whether continued reliance on motorized routes is cost-justified, but it is anticipated that hearings in 1980 will also explore other aspects of the Postal Service's role in energy conservation.

TOXIC CHEMICALS IN THE WORKPLACE

Following allegations of an unusually high incidence of cancer among past and present employees and managers who have worked with chemical solvents at Hill Air Force Base (Utah), the Chairman directed the subcommittee staff to investigate those charges as well as additional reports questioning safety and training procedures for chemical handling on the base.

The result of subcommittee hearings (April 3, 4, and 10, 1979) and staff inspections at Hill Air Force Base, Tinker Air Force Base (Oklahoma) and McClellan Air Force Base (California) has been:

The Chairman's recommendation that the Federal government be held to the same chemical use standards imposed on private industry;

The U.S. Air Force's agreement to study the possibility of a connection between the use of chemical solvents at Hill Air Force Base and the incidence of cancer among persons employed there and exposed to the chemicals; and

The U.S. Air Force's agreement to upgrade its entire health and safety training program in the area of employee exposure to toxic chemicals.

NATIONAL SECURITY MAIL COVERS

In May, 1979, the subcommittee staff initiated a review of U.S. Postal Service regulations governing the use of mail covers for national security reasons. A "inail cover" is a procedure in which a postal employee records data on the outside of an envelope delivered to a particular addressee.

The regulations at issue were those proposed by the Postal Service after a Federal District Court ruled that its earlier regulations authorizing national security mail covers were unconstitutionally vague. The American Civil Liberties Union and other groups argued that the improved regulations were as vague as those the district court had held unconstitutional and might result in even greater abuse of civil liberties.

On August 24, 1979, the Postal Service adopted final regulations that satisfied most groups that had expressed reservations about the Postal Service's original proposal.

THE FEDERAL PAPERWORK BURDEN

In March, 1979, the subcommittee began an inquiry into the nature of the Federal paperwork burden, which the President's Commission

on Federal Paperwork estimates may cost society \$500 for each person in the country.

The subcommittee has interviewed representatives of the National Archives and Records Service, the Small Business Administration, the Defense Department, the Government Printing Office, as well as private citizens and representatives of industry and rural cooperatives. In addition, the subcommittee held hearings November 12, 1979, in Cadillac, Mt. Pleasant and Owosso, Michigan, to determine how Federal "red tape" and paperwork affect local industry, local government and individuals.

The subcommittee has concluded that most paperwork costs arise from delays and duplication of Federal information requirements. The subcommittee has learned that the Small Business Administration is developing a computer system that will supply data on every form used by the Federal government and be able to identify duplicate questions.

EMPLOYEE CONCERNS AT THE D.C. POST OFFICE

After being contacted by Representative Marjorie Holt (R-MD) concerning difficulties experienced by postal employees at the District of Columbia Post Office, the subcommittee arranged a meeting with several postal employees and U.S. Postal Service representatives. As a result of the meeting, the postal employees learned that some of their difficulties could be resolved through negotiated grievance procedures. Postal officials also supplied the employees with additional information regarding management practices. The subcommittee will maintain an oversight role to ensure that the postal employees' concerns are properly addressed.

INTERRUPTION OF MAIL TO THE SOVIET UNION

On July 2, 1979, the subcommittee held a hearing in San Francisco (CA) on the subject of the interruption of mail addressed to persons in the Soviet Union. After receiving testimony from the U.S. Postal Service, the academic community, ethnic groups and human rights organizations, the subcommittee determined that a substantial volume of mail sent from the United States to persons in the Soviet Union is opened by Soviet officials, subjected to lengthy delivery delays or confiscated. Consequently, the subcommittee recommended passage of a resolution (H. Con. Res. 58) cosponsored by the Chairman to express the sense of the Congress that it objects to Soviet interruption of U.S. mail. H. Con. Res. 167, an identical resolution, was passed by the House September 25, 1979 and was passed by the Senate October 10, 1979. The resolution was presented to the Soviet Union at the Universal Postal Union.

INCENTIVE AWARDS

The subcommittee staff conducted interviews during the summer of 1979 to determine whether 5 U.S.C. 4501, the present incentive awards legislation, was violated by cash incentives to employees of the Pension Benefit Guaranty Corporation. The cash awards totaling \$70,750 were given to key managers who had worked closely with the retiring Executive Director.

The subcommittee found that of the first \$48,000 awarded, the lowest award was for \$4,000 and the two highest were for \$7,500 each; the remaining awards ranged from \$750 to \$3,500. In comparison, the subcommittee found that in the last 24 years, only sixty payments exceeding \$1,000 have been awarded governmentwide. An interview with the chief of the Incentive Awards Branch of the Office of Personnel Management indicated that although the awards appeared to be within the law, the agency would conduct an investigation to determine whether there had been an abuse of discretion.

In connection with the study of the Pension Benefit Guaranty Corporation awards, staff members interviewed officials responsible for implementing the Merit Pay and Cash Award Program and the Senior Executive Service Incentive Pay program. These officials acknowledged that while the new programs may involve large individual payments and will give agency management considerable discretion, the Office of Personnel Management would monitor both programs to prevent unusual payments. In contrast to the Pension Benefit Guaranty Corporation awards, where the awards originated at the highest level of management, the new programs are expected to be based on awards originating at lower levels of management. The subcommittee plans to continue to review the standards that will be applied in the new incentive award programs.

U.S. CUSTOMS SERVICE PERSONNEL CHANGES

In the early months of 1979 the Commissioner of the U.S. Customs Service issued a proposed policy statement entitled "Management of Inspectional Overtime" which would have implemented an Office of Management and Budget plan to impose severe limits on overtime and to reduce by 250 the number of inspectors employed by the Customs Service.

The subcommittee recommended that implementation of the plan be delayed until the National Treasury Employees Union could discuss with customs officials methods of minimizing the impact on the reductions. The subcommittee's recommendation was adopted and consultations on the new overtime program continue.

FORT HUACHUKA REORGANIZATION

The subcommittee staff conducted a review of the reorganization and reclassification of all civilian personnel at Fort Huachuka, Ariz., on November 28 and 29, 1979. Following interviews with Department of the Army employees and managers, the staff recommended that the reorganization and reclassification be phased in over three to five years to ensure a smooth adjustment.

NUCLEAR REGULATORY COMMISSION MANPOWER UTILIZATION

After subcommittee member Representative Donald Albosta (D-Mich.) brought reports of vandalism at the Midland, Mich., nuclear power plant to the attention of the subcommittee, the chairman questioned whether the Nuclear Regulatory Commission had given sufficient support to a program for increasing onsite construction security.

At a June 6, 1979 hearing, NRC representatives outlined the Commission's program for increasing on-site security and agreed to consider the subcommittee's recommendations that teams of inspectors examine nuclear reactor security issues. NRC officials also agreed to inform the subcommittee, as well as Members of Congress whose districts are affected, of any incidents concerning safety problems at nuclear plants.

SECURITY CLEARANCES

Following complaints regarding the unstructured nature of security clearance interviews conducted by Federal investigators, the subcommittee has made initial contacts with the Office of Personnel Management to determine interview guidelines used by OPM and investigative agencies. This study will continue during the second session.

DALLAS BULK MAIL CENTER

From March through May, 1979, the subcommittee monitored an investigation of charges brought by postal union representatives against certain Dallas Bulk Mail Center management officials. The charges included sexual harassment, discrimination, improper discipline and undue influence in contracting out. The Postal Inspection Service uncovered facts that supported some of the allegations and the postal managers and employees involved have been disciplined, discharged, downgraded or transferred.

PITTSBURGH POST OFFICE MINORITY HIRING AND PROMOTION PRACTICES

The subcommittee requested the U.S. Postal Service to conduct a comprehensive review of the Pittsburgh Post Office's employment and promotion practices and grievance procedures after the National Alliance of Postal and Federal Employees charged that management discriminated against minorities. An audit of the Pittsburgh Post Office's management record is now underway.

ASSISTANCE TO OTHER SUBCOMMITTEES

The staffs of the Subcommittee on Investigations and the Subcommittee on Human Resources worked together on a continuing investigation of the contracting-out procedures of the Department of Energy. Contracts and other data have been examined to address concerns that might be presented in future hearings.

The subcommittee staff also assisted the Subcommittee on Compensation and Employee Benefits in preparing for a November 27, 1979 hearing on H.R. 2510, a bill to repeal the finality clause in 5 U.S.C. 8347(c). That provision effectively prevents appeals to the U.S. Court of Claims in disability cases.

SUBCOMMITTEE ON POSTAL OPERATIONS AND SERVICES

SUBCOMMITTEE JURISDICTION

The subcommittee's jurisdiction includes the United States Postal Service and the Postal Rate Commission, generally, including operation and administration thereof; postal finances and expenditures (except those relating to matters within the jurisdiction of the Subcommittee on Postal Personnel and Modernization); public service aspects, requirements, and reimbursements; and the United States mails (except those matters specifically within the jurisdiction of the Subcommittee on Postal Personnel and Modernization).

SUBCOMMITTEE ACTIVITIES

During the first session of the 96th Congress, the subcommittee reviewed 30 matters. The subcommittee ordered reported to the full committee one major piece of legislation significantly modifying current law regarding the Postal Service. This legislation, H.R. 79, passed the House of Representatives by a 350-14 vote on September 7, 1979.

The subcommittee also conducted a comprehensive series of oversight hearings on the status of the private express statutes.

Among the other major matters addressed were:

- (1) The status of Postal Service involvement in electronic communications;
- (2) The status of the military mail system; and
- (3) The current financial status of the United States Postal Service.

H.R. 79—THE POSTAL SERVICE ACT OF 1979

H.R. 79 was introduced by Representative Charles H. Wilson of California on January 15, 1979, and was jointly referred to the Subcommittee on Postal Operations and Services and the Subcommittee on Postal Personnel and Modernization of the Committee on Post Office and Civil Service.

The Subcommittee on Postal Operations and Services and the Subcommittee on Postal Personnel and Modernization held joint hearings on H.R. 79 on March 2, 13, 15 and 22, 1979. A joint markup meeting was held on April 4, 1979. On April 4, the two subcommittees approved H.R. 79, with amendments, by a record vote of 12 to 0.

The Committee on Post Office and Civil Service markup meeting was held on April 25, 1979. On April 25, the committee ordered H.R. 79 favorably reported, with amendments, by a voice vote. On September 7, 1979, the House of Representatives approved H.R. 79 by a vote of 350-14.

H.R. 79 is designed to resolve two basic problems facing the U.S. Postal Service—accountability to the President and to the Congress and the need for a modest increase in public service appropriations.

H.R. 79 also represents a basic statement of congressional policy that the Postal Service must set service to the public as its primary goal. Through increased public funding, the Postal Service will be able to maintain services and hold down rate increases. H.R. 79 represents a commitment to maintain a national postal system characterized by convenient local post offices, 6-day home mail delivery, and reasonable rates. The legislation will also help to keep senders of second, third and fourth class mail in the postal system rather than having these patrons seek less expensive alternative delivery methods. While the additional funding provided in H.R. 79 will not be adequate to solve all the problems of the Postal Service, it does change the financial policy of "breakeven, regardless" in the present law, which was initially founded on the assumption that the Postal Service would be able to meet all expenses out of revenues by 1984. Unfortunately, the Postal Service has not made satisfactory progress towards self sufficiency. What exists, instead, is a heavily-indebted organization which now will begin to lose the already inadequate level of public service financing.

A synopsis of H.R. 79 follows:

Section 1.—Title.

Section 2.—Abolishes the Board of Governors, provides for appointment of the Postmaster General by the President (subject to Senate confirmation), and gives the Postal Rate Commission the authority to make final decisions on rates, fees, mail classification and other quasi-judicial matters now decided by the Board. Directs Postmaster General to discuss postal research and development in his annual report to the President and Congress.

Section 3.—Requires that in delivery areas of 25,000 or less, the Postal Service shall give preference in postmaster appointments to qualified local employees or qualified local citizens.

Section 4.—Authorizes public service appropriations of \$1.1 billion for fiscal year 1980, \$1.2 billion for fiscal year 1981 and \$1.3 billion for fiscal year 1982 and thereafter. Funds appropriated in excess of \$920 million, in addition to helping maintain basic public services, would have to be used to keep rates for first class letter mail at the lowest possible level. (The level of public service funds since 1970 has been set at \$920 million annually, but that amount will drop by 10% per year from 1980 through 1984 if present law remains unchanged.) The section also requires the Postal Service to submit to the appropriate committees of Congress an annual report on research and development.

Section 5.—Requires the Postmaster General to submit an annual report on Postal Service operations to the President and the Congress by February 15 of each year.

Section 6.—The phasing of postal rates other than first class and parcel post is extended from 16 to 20 years for non-profit organizations and from 8 to 10 years for commercial rates. These amendments shall become effective on October 1, 1979.

Section 7.—Revises the method of paying the expenses of the Postal Rate Commission. The new provision removes the Commission en-

tirely from the Postal Service's control and places the Commission under the ordinary budgetary and appropriation process beginning with fiscal year 1981.

Section 8.—Removes the size and weight limitations placed on mail by existing law. The Postal Service will be able to establish and seek future changes in size and weight limitations by following the same procedures it follows in pursuing mail classification changes.

Section 9.—Provides that books, films, sound recordings and other types of educational materials may be mailed to or by schools, libraries, and nonprofit organizations at the "library" rate, rather than at the higher fourth class book rate. Existing law permits publishers and distributors to mail books to schools and libraries at the library rate, but schools and libraries may not use it when returning books to the publisher or distributor. Section 8 clarifies the intent of Congress in Public Law 94-421 that teaching aids and guides and catalogs of books be eligible for the library rate.

Section 10.—Directs the Postal Service to examine extent feasible under sound vehicle management practices, to purchase alcohol-gasoline blends for postal vehicles.

Section 11.—Directs the Postal Service to conduct a study in consultation with the National Railroad Passenger Corporation to determine the extent to which trains may be utilized to transport mail. The results of this study are to be reported to Congress.

Section 12.—States that nothing in this Act affects any collective bargaining agreement in effect on the date of enactment, impairs the Postal Service's authority to bargain collective, or impairs any future collective bargaining agreement.

PRIVATE EXPRESS STATUTES

From May through November 1979, the subcommittee conducted the most comprehensive hearings on the subject of the private express statutes ever held by a congressional committee. In ten hearings, the subcommittee heard from a wide range of interested parties, including financial institutions, postal labor unions and couriers.

At the final hearings, Chairman Wilson commended the Postmaster General for his recent administrative suspension of the monopoly with respect to time sensitive mail, a concern which was raised and debated at length during the hearings. Bolger testified that the Postal Service simply cannot provide the necessary rapid deliveries to meet "time critical" shippers' needs at this time and therefore needed the exemption. However, the Postmaster General pledged to continue his efforts to strengthen current Postal Service rapid delivery programs.

Postmaster General Bolger fully agreed with Chairman Wilson's contention that inclusion of certain bulk-shipped forms within the postal monopoly was unreasonable. The Postmaster General said that this issue, which has been of considerable concern to life insurance companies, would be corrected.

Both Wilson and Bolger strongly affirmed their support for a continued USPS monopoly over letter mail in order to maintain a strong postal system.

On September 11, 1979, the Postal Service published a number of amendments which seek to clarify, but not expand, the "definition of

a letter," including (a) times not primarily used as a means of communications, e.g., "copy" and "proofs" shall now be exempt; (b) easing the conditions under which letters could accompany cargo; and (c) clarifying the terms of the suspension of data processing materials.

On October 24, 1979, the Postal Service published a suspension for "extremely urgent letters" which allows certainailable materials to be delivered through private channels when qualifying conditions exist.

SUBCOMMITTEE ON POSTAL PERSONNEL AND MODERNIZATION

SUBCOMMITTEE JURISDICTION

The subcommittee has jurisdiction over postal officers and employees, including their status and appointment; postal management and other personnel requirements and practices; manpower utilization; postal labor-management relations; postal facilities and mechanization, including modernization and research and development; mailability of matter; mail transportation; and military mail.

SUBCOMMITTEE ACTIVITIES

During the first session of the 96th Congress, the subcommittee held hearings on five bills. Four bills (H.R. 79, H.R. 826, H.R. 827 and H.R. 4064) were passed by the House and sent to the Senate. One bill, HR. 2424, is pending further consideration by the subcommittee.

The subcommittee's oversight activities included:

- (1) Operations and efficiency of the U.S. Postal Service's National Bulk System (NBMS);
- (2) Postal Service minority contracting activities and practices;
- (3) Postal Service implementation of equal employment opportunity for women and minorities;
- (4) Payroll processing problems and miscalculation of time and leave of Postal Service employees;
- (5) Occupational safety and health within the Postal Service;
- (6) Hazardous levels of asbestos at the Biscayne (FL) Postal Facility;
- (7) Development of the Postal Service's Electronic Message Service Systems (EMSS);
- (8) Authorization for the Postmaster General to contract with the airlines for the transportation of mail; and
- (9) Legislative history of Federal service labor-management relations.

U.S. POSTAL SERVICE MINORITY CONTRACTING

In May, 1979 the subcommittee collected and analyzed U.S. Postal Service data on minority contracting practices in twelve cities. The cities, each with a vast pool of minority business firms, were: Baltimore, Md.; Chicago, Ill.; Cleveland, Ohio; Detroit, Mich.; Houston, Tex.; Los Angeles, Calif.; Memphis, Tenn.; New York, N.Y.; Oakland, Calif.; Philadelphia, Pa.; St. Louis, Mo.; and Washington, D.C.

The subcommittee found that notwithstanding a threefold increase in the amount of goods and services purchased from minority firms

in recent years, minority business firms in these cities received only 3.3 percent of the Postal Service's 50 million-plus procurement dollars in fiscal 1978. In three cities—Baltimore, Cleveland and St. Louis—no minority firms received contracts. In three other cities—Detroit, New York and Washington—minorities received less than 1 percent of postal contracts. The following is a summary of postal contracts awarded in the 12 cities:

	Total	Minority	Percent
Supplies, services, equipment.....	\$29,037,300	\$425,800	1.5
Construction and related.....	11,131,200	248,500	2.2
Mail transportation.....	10,352,600	1,003,600	9.7
Total.....	50,521,100	1,677,900	3.3

The subcommittee's analysis of Postal Service data revealed that there have been serious problems with the Postal Service's minority contracting and that the Postal Service has inadequately addressed these problems. For example, the subcommittee found that:

(1) The Postal Service has no quantitative goals for minority contracts.

(2) Prime contractors holding over \$10,000 in postal contracts are ostensibly required to establish a minority enterprise program, but there is no effective means of enforcing this requirement.

(3) There is no continuing program within the Postal Service to ensure that minorities receive a fair share of the Postal Service's vast contracting resources.

(4) While the Postal Service has articulated strong support for minority business programs, for the most part it simply has relied on mid-level managers to comply with directives from the President and the Postmaster General.

Since release of the subcommittee findings, there have been extensive consultations among the chairman of the subcommittee and his staff and representatives of the Department of Commerce, and the President's Domestic Council. There are now indications that the Postal Service is conducting more vigorous monitoring of its minority purchasing and contracting practices and will work more closely with minority firms. In addition, a staff member of the President's Domestic Council has been assigned responsibility for monitoring the progress of the Postal Service in this area.

FEDERAL SERVICE LABOR MANAGEMENT RELATIONS

Enactment of the Federal service labor management relations statute in title VII of the Civil Service Reform Act of 1978 culminated more than two decades of congressional attention to the issue of collective bargaining rights for Federal employees. Together with Reorganization Plan No. 2 of 1978, which created the Federal Labor Relations Authority, title VII established the first statutory framework for third-party resolution of disputes between employee representatives and Government managers.

The subcommittee staff prepared a comprehensive legislative history of Federal service labor management relations to make the background of Congressional action on title VII and the Reorganization Plan

readily accessible. This history is necessarily complex because a dozen versions of comprehensive labor-management legislation received Congressional attention during the discussion that ultimately led to adoption of title VII.

By combining the legislative history of the new statute with background materials on the labor-management program under various Executive Orders and on the proposals of the Personnel Management Project, the document constitutes a single-volume primer on Federal sector labor-management relations that should prove valuable as an aid to practitioners and as a reference guide for continuing congressional oversight.

POSTAL VEHICLE LEASING

H.R. 4064 was introduced by Chairman William L. Clay on May 14, 1979. It provides that owners of motor vehicles leased by the U.S. Postal Service solely and exclusively for Postal Service use shall be exempt from payment of state and local taxes and fees for the duration of the lease. The bill does not alter the current practice that allows postal employees to lease their vehicles to the Postal Service.

At a June 26, 1979 hearing, the Postal Vehicle Supply Service, a national organization representing vehicle lessors, endorsed enactment of the bill. It claimed the Postal Service could save up to \$1.6 million annually if a uniform waiver of state and local fees were enacted. The Postal Service opposed the bill, basing its opposition on the argument that impinging on state taxing authority could harm Federal-State relations. The Postal Service also claimed that the legislation would adversely affect postal employees who lease their cars to the Postal Service.

On July 31, the Subcommittee approved H.R. 4064, without amendment, by voice vote. On September 12, the Full Committee ordered the bill favorably reported, without amendment, by voice vote.

On October 22, 1979, H.R. 4064 was considered in the House under the Suspension Calendar, passed by voice vote and referred to the Senate.

On November 29, 1979, S. 2058, a bill identical to H.R. 4064, was introduced in the Senate and referred to the Committee on Governmental Affairs.

HATCH ACT REFORM FOR POSTAL EMPLOYEES

On February 26, 1979, Subcommittee Chairman William L. Clay introduced H.R. 2400, the Postal Service Employees' Political Activities Act of 1979. Forty-four co-sponsors were added to the bill. H.R. 2401, the Federal Employees' Political Activities Act, was introduced on the same date by Mr. Clay and was referred to the Subcommittee on Civil Service.

H.R. 2400 updates and modifies the Hatch Act for postal employees. It gives them the right to participate voluntarily in political activities as long as their activities do not compromise—or give the appearance of compromising—the integrity of the merit system or the administration of the functions of the U.S. Postal Service.

H.R. 2400 is similar to legislation which passed the House in 1977 and was referred to the Senate. The Senate Committee on Governmental Affairs held hearings, but no further action was taken.

S. 1758, which is identical to H.R. 2400, was introduced in the Senate on September 17, 1979, and referred to the Committee on Governmental Affairs.

The subcommittee continues to study the need for reform of the 40-year old Hatch Act, but is awaiting Senate action on the legislation before scheduling consideration of H.R. 2400.

POSTAL SUPERVISORS ARBITRATION

H.R. 827 was introduced by Representative Charles H. Wilson (Ca.) on January 15, 1979, along with 38 cosponsors.

The purpose of the legislation is to authorize the establishment of a three-member arbitration board and to outline procedures for the consideration and resolution of disputes arising between the U.S. Postal Service and an organization of supervisory and other managerial personnel (other than officers, postmasters and employees engaged in personnel work in Postal Service headquarters). The board would be composed of one member selected by the Postal Service, one selected by the recognized organization, and one chosen by the two thus selected. Arbitration board costs would be shared equally by the Postal Service and the organization.

Similar legislation passed the House in the 94th and 95th Congresses, but the Senate failed to act on either occasion. S. 794, a bill identical to H.R. 827, has been introduced in the Senate.

The dispute resolution procedures outlined in H.R. 827 provide that:

(1) If the Postmaster General and a recognized postal supervisory organization cannot agree, within sixty days after the organization submits a written notice to the Postal Service, on a program for consultation or a plan to participate directly in the development of pay, fringe benefit and related policies, either party has the right to refer the matter to the arbitration board.

(2) If impasses develop during consultation or if questions arise as to whether an issue is subject to consultation, either party upon 30-day written notice may refer the matter to arbitration. Only a "recognized" supervisory organization—one acknowledged by the Postal Service as representing a substantial percentage of supervisory and other managerial personnel—would have the right to invoke arbitration procedures on behalf of employees.

(3) The arbitration board's decisions are final and binding and are to be made within 45 days after the board's appointment. The bill further specifies that such decisions are to be based upon a full, fair hearing in which each party has the opportunity to present evidence in person, by counsel, or by any other selected representative.

On May 2, 1979, the subcommittee held public hearings and heard testimony from the U.S. Postal Service, the National Association of Postal Supervisors (NAPS) and the Public Service Research Council (PSRC). On that same date, the subcommittee approved H.R. 827 by a record vote of 5 to 1.

The Postal Service and the PSRC opposed enactment of the bill; NAPS endorsed it. The Postal Service argued that H.R. 827 would

grant supervisors collective bargaining rights and would destroy essential management controls. However, NAPS argued that the Postal Service has failed to carry out the intent of Congress that a program of consultation between the Postal Service and recognized supervisory organizations be established and has forced NAPS to seek resolution of disputes through costly law suits.

On May 23, 1979, the Committee on Post Office and Civil Service ordered H.R. 827 favorably reported, with an amendment, by voice vote.

In its report, the committee stated that the legislation is needed to carry out a provision of the Postal Reorganization Act that sought to guarantee postal supervisors and other managerial personnel the right to participate directly in determinations of their pay and related benefits. However, the arbitration provisions of the bill do not create a form of collective bargaining similar to that for rank-and-file postal employees and do not allow supervisors to join rank-and-file unions.

On July 9, 1979, H.R. 827 was considered under the Suspension Calendar and on July 10 the bill passed by a vote of 306 to 94.

The bill was referred to the Senate where one day of public hearings was held on October 3, 1979, by the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Governmental Affairs.

POSTAL REFORM

The Subcommittee on Postal Personnel and Modernization shared jurisdiction of H.R. 79 with the Subcommittee on Postal Operations and Services. The subcommittee's jurisdiction dealt directly with section 2, the executive structure of the Postal Service, and section 9, collective bargaining.

During joint hearings, the prevailing sentiment of the witnesses was that the part-time Board of Governors was ineffective in setting postal policies, directing and controlling expenditures and reviewing Postal Service performance and policies. Most witnesses favored Presidential appointment of the Postmaster General and abolition of the Board of Governors.

The subcommittees, in reporting H.R. 79 to the full committee, retained the Board of Governors but improved upon its present structure to make it more effective and accountable to the President and the Congress.

Witnesses also testified in support of section 9, which provides that nothing in the legislation will affect postal collective bargaining agreements. This provision prevailed through House passage of H.R. 79.

The Committee on Post Office and Civil Service adopted an amendment to abolish the Board of Governors, to provide for appointment of the Postmaster General by the President subject to Senate confirmation, and to give the Postal Rate Commission final authority on rates, fees, mail classification and other quasi-judicial matters currently decided by the Board. During floor consideration of H.R. 79 on September 7, 1979, the House agreed to an amendment offered to section 2 of the bill to give preference in postmaster selections in communities

with 25,000 residents or less, to (1) qualified local postal employees, (2) qualified local citizens, and (3) to qualified non-local candidates.

H.R. 79 was passed by the House on September 7 by a vote of 350 to 14. The bill was referred to the Senate.

DELAYS AND MISCALCULATIONS IN THE POSTAL PAYROLL

Subcommittee Chairman William L. Clay and subcommittee staff members conducted an inspection of the U.S. Postal Service's Data Processing Center in Minneapolis, Minnesota on April 25, 1979. The Center is a finance and computer operation that serves 24 states in the Postal Service's Central and Southern regions. It employs more than 500 persons, prepares biweekly paychecks for more than 350,000 postal employees and processes most bills for the 18,000 post offices in the two regions.

The inspection was conducted in response to highly publicized complaints of inordinate delays in postal payroll processing and miscalculations of time, leave and retirement benefits.

Although some problems remain, the inspection indicated that postal management has made some progress in addressing the most serious payroll redesign difficulties by detailing additional timekeeping and authorizing additional overtime.

ELECTRONIC MESSAGE SERVICE SYSTEMS

In anticipation of public hearings in early 1980, the subcommittee examined policy issues related to U.S. Postal Service involvement in electronic communications. Two major issues are whether USPS entrance into the electronic message market would render it a common carrier subject to Federal Communications Commission jurisdiction and whether it would constitute unfair competition with the private sector.

There have been significant developments in recent months:

In July 1979, President Carter declared his support for Postal Service involvement in electronic communications. The endorsement was subject to conditions which were accepted by the Postmaster General;

In October 1979, the FCC determined that contracts the Postal Service entered into with two international carriers to implement International Electronic Post (Intelpost) were "inherently discriminatory;"

In early December, the Postal Service announced that it had released Western Union from a contract to implement electronic computer-originated mail (Ecom);

On December 17, 1979 the Postal Rate Commission rejected the original Postal Service proposal which would have given the Postal Service, through a telecommunications contractor, a monopoly on the electronic transmission of messages to post offices. Instead, the PRC recommended a decentralized system in which messages are transmitted by firms involved in electronic transmission from customers directly to post offices.

The PRC recommendation is now pending before the USPS Board of Governors.

EQUAL EMPLOYMENT OPPORTUNITY IN THE POSTAL SERVICE

Following a subcommittee study that indicated a systematic pattern of underrepresentation of women and minorities in upper levels at the U.S. Postal Service, Chairman Clay requested an Equal Employment Opportunity Commission investigation. The EEOC delegated an evaluation of Postal Service equal opportunity programs to the Office of Personnel Management. Although the OPM evaluation will not be completed until early 1980, the subcommittee has learned that the Postal Service has failed to compile the following essential information:

Number of accessions at headquarters during fiscal years 1976 and 1979;

Number of vacancies at headquarters during fiscal years 1976 and 1979 (some USPS-wide vacancy data is available);

Number of minorities and women hired at headquarters during fiscal years 1976 and 1979;

Number of minorities and women hired or promoted at Postal Service headquarters during fiscal years 1976 and 1979;

Total number of adverse actions at headquarters by type;

Number of minorities and women adversely affected by adverse actions at headquarters;

Information on total awards given in Postal Service headquarters to minorities and women.

The subcommittee intends to conduct public hearings after OPM completes its assessment of equal employment opportunity within the Postal Service.

MORGAN (NYC) GENERAL MAIL FACILITY

In April 1979 the subcommittee conducted an on-site inspection of the Morgan postal facility in New York City following complaints of unsafe and unhealthy working conditions by employee representatives. Arrangements were also made for representatives of the Occupational Safety and Health Administration (OSHA) to be detailed to the subcommittee staff and to conduct a survey to determine the extent to which Federal safety and health laws were being violated by the Postal Service at the Morgan facility.

In the course of the subcommittee inspection it was found that many of the original safety and health violations that had been cited by employee representatives were corrected. However, the sack distribution pit was a significant exception because employees working in the pit must distribute sacks in a closed area with little opportunity for ready exit in the event of an emergency. The OSHA inspection report is on file in the subcommittee office.

In addition to hazardous conditions, the chairman also noted that despite costly renovations at the Morgan facility, operations seemed about the same as they were prior to a 1967 fire. The chairman's reservations about the operational effectiveness of the Morgan station were fulfilled when there was a complete breakdown within a week after it became fully operational in October 1979.

NATIONAL BULK MAIL SYSTEM

During 1979, subcommittee members and staff conducted on-site inspections of bulk mail centers in Washington, D.C.; New York, N.Y.; Detroit, Mich.; Memphis, Tenn.; Minneapolis, Minn.; and Los Angeles, Calif. The subcommittee also asked the U.S. Postal Service to respond to specific questions regarding systemwide costs, volume, delivery and damage rates. Postal Service replies to these inquiries are available for inspection in the subcommittee files.

The subcommittee investigation revealed that:

Significant underutilization is apparently attributable to decreasing volume and an increase in non-machineable mail;

The Postal Service has not met its standard of dispatching 95 percent of its trailers fully-loaded; however, there has been an increase from 90.4 percent in fiscal year 1978 to 92.6 percent in fiscal year 1979;

Delivery performance for intra-BMC mail is 69.9 percent nationwide and inter-BMC is 49.9 percent;

A downward trend of mail volume in the bulk system has continued;

Despite an original projection of 300 million parcels annually as the breakeven point for the system, the Postal Service anticipates only 151 million pieces in fiscal year 1979;

Postal Service estimates put the total operational cost of the bulk mail network at \$351 million, although postal officials claim they have no measure of the system's net financial benefits and losses.

Interviews with postal employees and managers indicated that most damage is caused by improper packaging by senders, improper loading of trailers, poor mechanization and deviations from parcel damage reduction requirements. Interviews with union officials and postal employees also indicated problems with employee morale at the bulk mail centers. They complained of unsafe and unhealthy working conditions, inadequate supervision and poor relations with management. They were also skeptical of statistical information provided by management and identified instances in which actual performance ratings have been manipulated to show improved performance. In light of declining volume in the NMBS, the subcommittee concluded that the initial one billion dollar investment, \$24.5 million in modification costs and \$351 million in operating costs makes the system's efficiency questionable.

In a recent meeting with Postal Service safety officials, the subcommittee staff was informed that there has been a significant decline in NMBS accident statistics. For example, in a sample period during the current fiscal year, there was a decrease in accidents per 1,000 employees; injuries per 100 employees; and lost workdays as compared to the same period last year.

ASBESTOS EXPOSURE

A subcommittee investigation of allegations that employees at a Biscayne, Florida postal facility might have been exposed to hazardous levels of asbestos fibers revealed the existence of a 1975 report supporting those charges and a limited response to that report on the part of postal management.

The 1975 report prepared by Academy Laboratories of Miami, Florida concluded that an asbestos fiber content in excess of present or proposed standards existed on the second floor of the Biscayne facility. It also indicated that total dust in the shake out and conveyor line area carried an immediate potential of health hazard. Despite those conclusions, the subcommittee found that the Postal Service did little to correct the programs or to move employees to other facilities until 1977, when it discontinued operations at Biscayne.

In the course of an October, 1979 subcommittee inspection, the Postal Service said it would attempt to identify and contact all employees who were regularly assigned for thirty days or more to the second floor of the building between 1975 and 1977. The employees would be examined for respiratory ailments and would have access to their records for twenty years.

The subcommittee found several shortcomings in this approach:

It is likely that asbestos has been present throughout the facility's second floor since 1954, yet the Postal Service proposes contacting only those employees assigned to the second floor during a limited time;

The potential group of 1,500 employees that the Postal Service proposes contacting does not include employees who might have been unofficially detailed to the Biscayne facility during the period in question; and

The Postal Services proposal does not address those employees who retired or left the facility prior to 1975.

Chairman Clay has asked the Postmaster General to include all employees who were regularly assigned to the second floor between 1954 and 1975 in its contact and examination program. In addition, the Postal Service has sought Occupational Safety and Health Administrative assistance in a reexamination of conditions at Biscayne. The subcommittee anticipates a continuing oversight role on this subject.

SUBCOMMITTEE ON CIVIL SERVICE

SUBCOMMITTEE JURISDICTION

The subcommittee's jurisdiction includes Federal labor-management relations (excluding the Postal Service); employee political activities; and Federal civil service matters, generally, except those matters specifically within the jurisdiction of other subcommittees.

This jurisdictional grant from the Committee on Post Office and Civil Service provides the subcommittee with primary responsibility for overseeing the implementation and operations of the Civil Service Reform Act of 1978 (Public Law 95-454), the most comprehensive legislation concerning personnel management in the Federal government in a century.

SUBCOMMITTEE ACTIVITIES

Most of the efforts of the Subcommittee on Civil Service were directed at scrutinizing operations of Federal programs under the jurisdiction of the subcommittee. Oversight was concentrated on the following six major areas:

- (1) Civil Service Reform Act implementation;
- (2) Productivity;
- (3) Professional and Administrative Career Examination (PACE);
- (4) The Combined Federal Campaign;
- (5) The Department of Energy personnel system; and
- (6) The Agency for International Development personnel system.

The subcommittee held legislative hearings in four areas, reported to the full committee six measures, of which four were reported to the full House; two have been passed by the House. Following are summaries of the legislative areas covered by the subcommittee.

EXPIRING AUTHORIZATIONS FOR CIVIL SERVICE AGENCIES

The Civil Service Reform Act of 1978 (Public Law 95-454) assigned duties to four new civil service agencies: the Office of Personnel Management (OPM); the Merit Systems Protection Board (MSPS); the Special Counsel to the Merit Systems Protection Board (OSC); and the Federal Labor Relations Authority (FLRA). The reform act placed each of these agencies on indefinite authorizations for "such sums as may be necessary." This authorization confers exclusive power on the Appropriations Committee to determine the level of funding for these agencies. Believing that the authorizing committee should utilize its expertise in the area of civil service law and that Congress should reauthorize programs on a periodic basis, Chairwoman

Schroeder introduced H.R. 3751 and H.R. 3752 on April 25, 1979, to place these agencies on expiring authorizations for specific sums.

Hearings were held on June 19 and 20, 1979 and testimony was received from the Merit System Protection Board, the Federal Labor Relations Authority, the Office of Personnel Management, the Office of Special Counsel, the General Accounting Office, the American Federation of Government Employees, the National Federation of Federal Employees, the National Treasury Employees Union, the National Association of Government Employees, the National Academy of Public Administration, the International Personnel Management Association and the National Civil Service League.

The subcommittee marked up the legislation on August 2, reporting out a bill that placed each of the agencies on two-year expiring authorizations. The bill also authorized significant increases in the budgets of MSPB, OSC and FLRA, which the subcommittee felt had been seriously underfunded in the President's budget request.

The full committee adopted two amendments: one by Mr. Hanley to authorize appropriations for the Office of Personnel Management at current levels and one by Mr. Harris requiring annual reports by OPM on contracting out by government agencies for personnel management services. The bill was reported out of full committee by voice vote.

On December 3, by voice vote, the House suspended the rules and passed H.R. 5138. The legislation has been referred to the Committee on Governmental Affairs of the Senate.

INDEPENDENT PERSONNEL SYSTEM FOR GAO

In recent years the General Accounting Office (GAO) has been instructed to oversee, audit and report on personnel management in the Executive Branch. At the same time, GAO employees have been subject to civil service requirements administered by the Office of Personnel Management. The Merit Systems Protection Board and the Equal Employment Opportunity Commission have been the agencies through which GAO employees appeal personnel actions.

Comptroller General Elmer B. Staats requested the Congress establish an independent personnel system for GAO to eliminate the apparent conflict of interest between GAO and these agencies and recommended adoption of H.R. 3339, introduced by Mr. Hanley.

The subcommittee held hearings on July 10 and 20, receiving testimony from the Comptroller General, the Office of Personnel Management and employee representatives at GAO. On August 2, the subcommittee by voice vote ordered a clean bill, H.R. 5176, reported to the full committee. This bill established an independent board within GAO to serve as the adjudicator of personnel cases and established a General Counsel to the Board to investigate allegations of prohibited personnel practices.

On September 12, 1979, the full committee ordered H.R. 5176 reported by voice vote, with an amendment by Mr. Hanley to apply veterans preference to GAO and an amendment by Mrs. Schroeder to specify the composition of the Board. On October 15, the House suspended the rules and, by voice vote, passed H.R. 5176. The bill has been referred to the Committee on Governmental Affairs of the Senate.

BENEFITS FOR AIR TRAFFIC CONTROLLERS

Public Law 92-297 (1972) provides early retirement and second career training benefits for air traffic controllers in the Department of Transportation. The legislation was intended to foster aviation safety by insuring that air traffic controllers could find other work or leave the service when their physical ability and technical capacity to control airplanes begins to decline. However, weak administration by the Federal Aviation Administration (FAA) led to widely reported deficiencies and abuse of the second career training program. Responding to these allegations, the Transportation Subcommittee of the House Appropriations Committee recommended termination for funding of the program in 1978 but suggested that funding could be reinstated if problems with the program were eliminated.

On June 26 and 30 and July 2 and 13, the subcommittee held hearings on H.R. 3479, introduced by Mr. Hanley, to reform the second career training program and on legislation to expand the provisions of Public Law 92-297 to air traffic controllers in the Department of Defense and to flight service station specialists (H.R. 1262 by Mrs. Spellman, H.R. 1781 by Mr. Dickinson, and H.R. 3503 by Mr. Taylor). Testimony was received from Members of Congress, the Federal Aviation Administration, the Department of Defense, the General Accounting Office, and representatives of controllers and specialists.

The subcommittee considered and reported out all four bills without amendment by voice vote on November 8. On November 14, the full committee adopted H.R. 5970, a bill in lieu of H.R. 3479, by a vote of 20-1. The full committee reported out H.R. 1262, without amendment by voice vote on November 8. On November 14, the full committee adopted H.R. 5970, a bill in lieu of H.R. 3479, by a vote of 20-1. The full committee reported out H.R. 1262, without amendment, by a vote of 13-7.

FOREIGN SERVICE ACT

Serious problems with personnel management in the Foreign Service have become evident recently. The concept of an "up or out" system has been undermined by a glut of senior officers. The tenet of worldwide service has been breached by various classes of Foreign Service personnel who do not serve abroad. A multiplicity of pay and personnel systems have developed, leading to complexity and inequity. For these and other reasons, Secretary of State Cyrus Vance requested Congress to enact H.R. 4674, which was introduced by Mr. Fascell, Mrs. Schroeder, and others.

The bill would establish a Senior Foreign Service, comparable to the Senior Executive Service established by the Civil Service Reform Act of 1978, codify the Executive Order governing labor relations in the Foreign Service, and reaffirm and expand the principle of selection out of Foreign Service personnel.

Jointly with the Subcommittee on International Operations of the Committee on Foreign Affairs, the Subcommittee on Civil Service held fourteen days of hearings on the legislation during June, July, September, and October.

Mark-up of the legislation is expected early in the second session.

CIVIL SERVICE ACT IMPLEMENTATION

Overseeing the implementation of the Civil Service Reform Act (Public Law 94-454) is one of the primary responsibilities of the Subcommittee on Civil Service. Oversight has involved three independent agencies: the Office of Personnel Management (OPM), the Merit Systems Protection Board (MSPB), the Federal Labor Relations Authority (FLRA) and the Office of the Special Counsel (OSC). The subcommittee has used the expertise and information developed by the General Accounting Office, employee representative organizations and other observers of the Federal civil service.

For the most part, the first year of implementation of the reform act has been an informational effort. The statute makes substantial alterations in the way the Federal civil service is structured and managed. Making sure that agencies know what is expected of them has been a massive task and has been accomplished with a great deal of success by the Office of Personnel Management. However, the subcommittee believes that more needs to be done to let rank-and-file employees know their new rights and responsibilities under the act.

The major areas of oversight and a discussion of the subcommittee's findings follow.

Reorganization/Budgets.—Pursuant to Reorganization Plan No. 2 of 1978 and the Civil Service Reform Act, the Civil Service Commission was abolished and the Office of Personnel Management, the Merit Systems Protection Board, the Office of Special Council and the Federal Labor Relations Authority were created to handle various aspects of Federal civil service matters. Numerous problems exist:

The Office of Management and Budget assigned the Civil Service Commission's budget on the basis of the reorganization plan, ignoring the new functions Congress gave to the Merit System Protection Board, Office of Special Council, and the Federal Labor Relations Authority. Most of the money went to the Office of Personnel Management, while the other agencies—those primarily responsible for protecting the rights of employees—were underfunded. The subcommittee pressed the Appropriations Committee to increase funding for the employee protection agencies which it did. Although the Appropriations Committee has increased the funding, the subcommittee believes the level of funding is still too restrictive.

Office space provided for the headquarters of the Federal Labor Relations Authority, the Merit Systems Protection Board, and the Office of Special Counsel was found inadequate and the Federal Labor Relations Authority was unable to hire authorized staff because of space restrictions. The Merit Systems Protection Board and the Office of Special Counsel were placed in an old building which appeared to be undergoing perpetual rehabilitation. To date, the General Services Administration has not adequately corrected this problem.

The General Counsel to the Labor Board was not appointed until mid-summer. Until the appointment was made, the Board was unable to issue regulations or prosecute cases.

The Special Counsel did not have the space or money to establish a field staff until late in the year. Even now, the Office of Special Counsel does not have the field apparatus to give Federal employees confidence in his ability to protect them from reprisal.

Office of Personnel Management reorientation.—Through a plan promulgated at the beginning of 1979, the Office of Personnel Management changed its focus from that of personnel manager to that of management consultant and advisor to Federal agencies. Agencies increasingly believe that the Office of Personnel Management exists to help them with personnel matters, rather than to cite them for violations of rules. The subcommittee supports this change in focus.

Whistleblower protections.—The Civil Service Reform Act provides statutory protections to whistleblowers in the Federal sector. The Office of the Special Counsel, which was created to safeguard these rights, has taken these responsibilities seriously and has brought some major whistleblower protection actions, including one involving four United States Marshals from the Atlanta field office. Nevertheless, the fact that there is a limited field operation for the Office of the Special Counsel renders the statutory protections meaningless for many Federal employees. The subcommittee believes that the Special Counsel's operation should be significantly expanded to receive and investigate allegations of prohibited personnel practices.

Appeals.—The Merit Systems Protection Board was created to hear and decide employee appeals. The Board was set up quickly and the quality of employee appeals has shown a marked increase. While hard data is not available, the perception of the subcommittee is that fewer appeals are being decided on procedural grounds and more are being heard on the merits. A move to increase the training for hearing examiners should add to the quality of appeals processing.

Garcia amendment.—An amendment to require determination of underrepresentation and to require affirmative recruitment of women and minorities was passed as part of the reform act. While the scope of the amendment is far-reaching, the subcommittee is concerned that there has been insufficient action in this area. Many agencies, particularly outside Washington, D.C., do not seem to be aware of their responsibilities under this section of law.

Leach amendment.—A amendment to limit the total size of the Federal workforce became part of the reform act. On September 30, 1979, the total number of Federal employees was substantially below the limit set by the Leach Amendment.

Performance appraisal.—The spine of the entire reform act is a new performance rating system. If this system works, the new Senior Executive Service, merit pay and appeals system can function fairly. If this system fails, the entire reform act will have been a failure. The Office of Personnel Management and the agencies are aware of the load the performance appraisal system must carry and are working diligently to implement the new system by October 1, 1981. Each agency will have one or many different systems. The subcommittee approves of diversity in this area, but is concerned about the lack of communication between agencies in implementing this system. While the interagency group in Washington is providing good forum for exchange of ideas, units outside of Washington are excluded.

For the most, agency officials appear positive about the materials and training provided by the Office of Personnel Management. However, the level of employee confidence in the performance appraisal system is low. Consequently much more must be done to educate the entire workforce and to work through the extremely difficult problems that implementation entails. Issues such as negotiability of performance standards and the partial implementation of performance appraisals are currently being litigated. The subcommittee will continue to monitor the development of performance appraisals.

Senior Executive Service.—Prior to the full implementation of performance appraisal, the Senior Executive Service is being put into place. Top agency managers showed a remarkable willingness to enter the program; indeed, fewer than one in twenty supergrades refused to join SES. The subcommittee is aware of the politicization potential of SES and will attempt to prevent its occurrence. The subcommittee is also concerned about the lack of women and minorities in SES positions and supports the efforts of the Office of Personnel Management to recruit top managers from outside government to make SES more representative of the population as a whole.

There is a wide range in the quality of SES performance standards between and within agencies. The subcommittee recognizes that there is a danger that these performance standards will be minimal and will assure all Senior Executives of periodic bonuses. The subcommittee expects the Office of Personnel Management and the General Accounting Office to keep it apprised of developments in this area.

Merit pay.—A system of merit pay for supervisors in grades GS-13 through GS-15 was provided as part of the reform act. Merit pay is supposed to be based on performance appraisals received by these managers. Because of the way the law is structured, those who do not receive merit pay would not receive one-half of their annual comparability increases. Consequently, there is serious widespread apprehension and opposition to this section of law. Merit pay will not take full effect until October 1, 1981, to provide sufficient time for the systems to be established. The subcommittee is concerned that merit pay work fairly for all involved and will closely monitor implementation.

Labor-Management relations.—The Civil Service Reform Act provided the first statutory rights of Federal employees to organize and bargain collectively. It created a Federal Labor Relations Authority (FLRA) to serve as the third party mediator of labor-management disputes. Utilizing expertise from the Department of Labor and the National Labor Relations Board, the FLRA established itself quickly and efficiently. The field operation, under the General Counsel, is beginning to prosecute unfair labor practice cases. Nevertheless, a substantial backlog of cases exists and is not expected to diminish. This seems to indicate that Federal managers are not yet used to dealing with labor unions and are not yet willing to negotiate in good faith with union representatives on conditions of employment. Many managers apparently view unions as negative and destructive influences and try to destroy them. However, the Congress has said that unions are a positive part of the Federal sector. The subcommittee urges Federal managers to understand the requirements of title 7 of the

reform act to deal with collective bargaining agents honestly and seriously.

Delegations staffing.—The Office of Personnel Management has delegated a large number of personnel authorities to agencies. Even in the staffing area, OPM has also approved agency plans to conduct their own operations in the area of staffing. Delegation can lead to quicker and more efficient filling of jobs, but must be accompanied by OPM oversight to assure that the basic principles behind the personnel laws are upheld.

Research and demonstration.—Title 6 of the reform act provided authority for the Office of Personnel Management to conduct research and demonstration projects. The first major project, sponsored by the Navy, is now underway. The subcommittee awaits the results of these projects and will be concerned with the protection of employee rights during their course.

Saved pay.—Title 8 of the reform act provided that employees who are placed in a lower graded job would be entitled to two years of saved grade and no loss in pay when the conversion is through no fault of the employee. This provision was supposed to make downgrading from reorganization or classification audits less painful. It has helped to some degree, but downgrading is still a difficult experience for many Federal employees.

In many ways, 1980 and 1981 should be the most interesting years in the implementation of the reform act. The subcommittee intends to continue its oversight of implementation of the provisions of the Civil Service Reform Act in the second session.

PRODUCTIVITY

A major objective of the Civil Service Reform Act was to make Federal managers accountable for their programs. The reform act proposed to do this by basing managers' pay on performance, judged on both individual and organizational productivity. However, for managers to be held accountable, their performance must be measured and quantified.

As part of its investigation, the subcommittee held four hearings. Witnesses testified from the Administration, the General Accounting Office, employee organizations and individual Federal employees, and the Congress. Subcommittee staff also met with numerous officials from the Office of Management and Budget, the Office of Personnel Management, the General Accounting Office and various Federal agencies and departments. In addition, a field investigation was held in San Antonio to study various Air Force productivity efforts.

The subcommittee has requested four GAO audits related to its productivity project. First, GAO is developing a guide for evaluating productivity measurement systems in agencies and departments. The questionnaire being developed would help the subcommittee assess agency managers' use of performance measures. Second, the General Accounting Office is conducting a study of the productivity level of hospitals operated by the Veterans Administration, comparing them to those of the private sector and other public sector hospitals. Third, GAO is studying the progress, problems and potential of labor-man-

agement cooperations, focusing on the viability of joint labor-management councils as a means of improving productivity in the Federal government. Fourth, GAO is looking at whether there are too many or too few supervisors in the Federal sector.

As a result of these activities, the subcommittee made the following findings and recommendations.

Top level support.—The history of the productivity effort in the Federal government has been uneven. Although various initiatives have tried to increase government efficiency, they have not been widely accepted or implemented.

With the demise of the National Center for Productivity and Quality of Working Life in 1978, productivity responsibilities were transferred to the Office of Management and Budget, the lead agency for private sector productivity, and to the Office of Personnel Management, its counterpart for Federal sector productivity. In 1979, the President created a Federal Productivity Counsel, composed of agency heads, to make recommendations concerning productivity policy. In spite of its positive efforts, the Council has been criticized because it lacks adequate staffing and a mandate to create a broad Federal productivity policy.

With the creation of the Office of Personnel Management to replace the old Civil Service Commission, responsibility for productivity was given to the Office of Productivity of the new Work Force Effectiveness and Development (WED) group.

While the subcommittee supports the activities and efforts of the Productivity Office, the Office appears to lack the type of top level support and authority required to produce a mandate to enunciate a Federal productivity program with specific goals, guidelines, and procedures for uniform implementation.

No central focal point.—Current efforts to improve productivity, although well-intentioned, have failed to provide a systematic framework for improving productivity and guidelines for agency productivity enhancement programs. The General Accounting Office has issued a series of reports calling for central guidance and coordination to increase Federal productivity, encouragement of work measurement efforts, and workforce planning to justify personnel estimates.

The subcommittee found current efforts by the Office of Personnel Management and the Office of Management and Budget totally ineffective in establishing a Federal productivity policy. The subcommittee found most agencies reluctant to introduce performance measurements of individual or organizational productivity.

No linkage between productivity and budget.—The Office of Management and Budget does not require that budget submission be supported by productivity data. First, OMB emphasis is on fund apportionment and policy priorities. Since each President has felt the need to limit the size of the executive office, limits on OMB staff have been at the expense of the management side.

Second, OMB Budget Preparation Circular A-11 states that "work measurement, unit costs, and productivity indexes should be used to the maximum extent practicable in justifying staffing requirements." The difficulty with this guidance is that it is too general and fails to mandate measurement or provide specific instructions to agencies on how to do it.

Third, although some agencies have developed measurement systems, OMB budget examiners make little use of productivity data in the budget process, except to recapture resources and transfer them to other programs.

The subcommittee recommends that OMB revise and strengthen its performance measurement guidelines to require both agencies and budget examiners to use productivity data in the preparation and review of agencies' budgets.

Disincentives to productivity.—There was considerable evidence submitted to the staff that certain OMB actions have been a disincentive to Federal productivity efforts. Frequently, managers who have boosted production and saved staff years or dollars have been penalized for their good management by having their budget and personnel ceilings cut.

The subcommittee recommends the OMB reconsider its procedures so that efficient managers will be rewarded and good management practices will be reinforced.

Productivity reporting inadequate.—In 1970, the Bureau of Labor Statistics expanded its collection of productivity data to the Federal sector. The BLS system calls for a ratio of outputs (products or services produced) to inputs (the cost of labor). The present system is inadequate because:

It counts only labor costs excluding other significant factors, such as capital investments, contract personnel, material and energy costs;

It does not disclose any organizational productivity indexes, but merely summarizes like functions across agency lines; and

Data is not collected on the micro level so that it can be used as a tool for better management.

Measures of effectiveness.—Effectiveness measures compare actual results against some objective or goal. Most agency measurement systems focus on efficiency measures, the cost of producing a given output with a set amount of inputs, but say nothing about prescribed levels of quantity, desired quality, and/or timeliness.

Productivity improvements isolated.—Currently there are some Federal productivity measurements and improvement programs underway, but they tend to be scattered and isolated in numerous agencies and levels of Federal bureaucracy.

Technical assistance.—There is a lack of knowledge in the Federal sector about productivity improvement in agencies. There is a need for the dissemination of information and technical assistance for managers interested in instituting productivity improvement programs.

Senior executives need incentives to develop performance measurement systems.—When the Senior Executive Service went into effect in July 1979, performance standards were established for each position, as well as critical elements. Even though SES bonuses and awards are linked by statute to individual and organizational productivity, there is little evidence to indicate that this is feasible government-wide since most agencies do not collect quantifiable productivity data.

To promote the development of performance measurement systems, the subcommittee recommends that the development of efficiency and effectiveness measures be made a critical element for SES meritorious

and distinguished awards and promotions. OPM should move quickly to assure that agencies make the development of performance measurement systems a critical element for senior executives.

Worker participation.—Testimony presented before the subcommittee by public sector unions revealed a willingness on the part of employee organization to become more actively involved in improving productivity.

The subcommittee recommends greater involvement of employees in decisions affecting productivity measurement and improvement efforts. Cooperation, rather than conflict, is a key to the formula for successful implementation of productivity measurement and improvement programs.

Quality of work life.—Employee motivation is an essential element in improving productivity. Consequently, it is impossible to talk about increasing productivity without exploring a variety of factors that have an effect on employee morale. These include fair promotional opportunities, occupational health standards, work scheduling innovations, participatory supervisory practices, job enrichment or job redesign, cross training and reorganization of work.

PROFESSIONAL AND ADMINISTRATIVE CAREER EXAMINATION (PACE)

The subcommittee was alerted in early spring to serious charges of racial discrimination in the Professional and Administrative Examination (PACE).

The PACE is the basic entry device for college graduates and those with comparable work experience seeking administrative and professional positions with the Federal Government.

At a May 15, 1979 hearing to investigate the allegations, it was found that PACE has severe discriminatory impact on blacks and Hispanics. According to General Accounting Office figures, while 16 percent of whites scored 90 percent or above on PACE, only two-tenths of one percent of blacks scored as well. Minor gender differences and regional differences also seem to be a factor in the PACE scores.

On the other hand, the GAO reported that it found PACE to be a well-validated examination. While the test has not been well examined for fairness, it has undergone a rigorous construct validity strategy. The Educational Testing Service expressed no surprise at the PACE findings and produced figures showing nearly the same impact from college board and other standardized tests it administers.

Director Campbell of the Office of Personnel Management defended the validity of PACE but recognized the serious problems created by its discriminatory impact. He promised the subcommittee that OPM would move toward other selection devices that would not screen out blacks and Hispanics the way PACE does.

Since the hearing, OPM has given permission for the Social Security Administration to develop and use its own selection device, called Claims Representative Examination—Social Security (CRESS). This examination involves a personal interview which can inform the agency about the applicant's ability to deal with people. In many ways, the subcommittee finds CRESS preferable to PACE in that it tells the selecting official far more than the applicant's ability to do the job and it does not have the same racial bias.

The Office of Personnel Management has also delegated a great deal of hiring authority to agencies in a test program in Chicago. This will allow agencies to develop their own registers and will give PACE scores less weight than OPM now gives them. On the other hand, this delegation will make job hunting more difficult for prospective Federal employees.

The subcommittee supports efforts of the Office of Personnel Management to find alternatives to the continued use of PACE. It will continue its observation of OPM's efforts in this area.

COMBINED FEDERAL CAMPAIGN (CFC)

In 1961, President John F. Kennedy issued Executive Order 10927 instructing the Civil Service Commission to arrange for voluntary charitable agencies to solicit funds from Federal employees at the workplace. From this instruction grew the Combined Federal Campaign (CFC), which is run out of nearly 600 different locations and raises more than \$85 million annually. Although the CFC has been successful at raising money, some participating groups do not believe they are getting their share of the monies collected and many newer charities would like to participate. Many Federal employees have complained about excessive pressures used to collect funds. Questions have also been raised about the fiscal integrity of the program.

After hearing numerous complaints about the program, the subcommittee held hearing on October 11, 12, 18 and 19, 1979. Witnesses from the Office of Personnel Management and the Department of Defense, from the participating and nonparticipating voluntary agencies, from the Federal workforce and from private industry testified or submitted statement for the record.

As a result of these hearings, the subcommittee has begun to draft recommendations to the Office of Personnel Management. The recommendations will focus on:

- Reducing the role of the Office of Personnel Management in running the Combined Federal Campaign;

- Establishing a Presidentially appointed National CFC committee to guide the campaign;

- Establishing local CFC committees with representation reflecting the local workforce;

- Providing more information to employees about participating charities;

- Establishing stronger rules to prevent coercion in fundraising;
- Granting eligibility to CFC to more organizations, particularly at the local level;

- Providing a fairer distribution of funds, while recognizing that community and national needs be met;

- Assuring an independent fiduciary for funds raised by CFC; and

- Limiting the length of the Campaign to protect Federal employees from frequent solicitations.

DEPARTMENT OF ENERGY PERSONNEL SYSTEM

On August 4, 1978, Public Law 95-91 created the Department of Energy (DOE). Under section 712 of the law, the Civil Service Com-

mission (CSC), now the Office of Personnel Management (OPM), was mandated to report to Congress within 1 year after the effective date of the Act on the effect of the reorganization on employees.

In a letter to the Speaker of the House, the CSC addressed these issues relating to the reorganization: (1) identifying any positions considered unnecessary; (2) providing the number of employees entitled to pay savings; (3) providing the number of employees who were voluntarily or involuntarily separated; (4) estimating personnel costs associated with reorganization; (5) reviewing labor management relations; and (6) proposing legislative and administrative recommendations for improvements in personnel management if the Commission considers it necessary.

The CSC found that the overriding personnel management problem in the Department of Energy was the absence of a fully articulated organizational structure. Many major DOE components did not have an approved organizational structure and concomitant mission/functional statements below the primary organizational component—the Assistant Secretary/Administrator level.

CSC was also critical of the classification maintenance procedures and of the equal employment opportunity program. CSC required the DOE to develop and implement complete organizational structures, including assignment of missions and functions, and to take appropriate related personnel actions in both its headquarters and field components no later than March 1979.

Because of this critical evaluation of the Department of Energy by the Civil Service Commission, the subcommittee held hearings on March 19, 1979. The subcommittee found that serious problems were occurring at DOE. These included: lack of approved position description and classifications; high percentage of misclassified positions, including overclassification; employees being asked to write their own position descriptions without guidance; questionable affirmative action programs showing severe underrepresentation of women at the upper levels and blacks at all levels; great delays in processing discrimination complaints; and misuse of detail procedures and policies.

However, Department of Energy officials testifying at the hearing committed themselves to correcting the problems. Since that time, the subcommittee noted some improvement in personnel management at DOE.

In addition, the Agency Compliance and Evaluation unit of OPM has developed plans for a management audit of DOE in fiscal year 1980. However, the subcommittee thought that OPM's plans to include a classification audit as part of the management review was premature and urged that the classification audit be delayed until October 1980. OPM has agreed to this request.

AGENCY FOR INTERNATIONAL DEVELOPMENT PERSONNEL SYSTEM

An amendment to the International Development and Food Assistance Act of 1978 required the Agency for International Development (AID) to create, by regulation, a unified personnel system. During the winter of 1978-79, AID management started developing regulations to convert all civil service positions to foreign service jobs. AID

said that this change was necessary to assure rotation opportunities for its foreign service personnel and to assure that AID was truly an agency with an international orientation.

The chairman and the ranking minority members of the full Post Office and Civil Service Committee and the chairwoman and ranking minority member of the subcommittee sent a letter to AID officials outlining the concerns of civil service employees affected by the conversion. They suggested the continuation of a civil service component at AID and that conversion be limited to jobs that are essentially foreign service in nature.

AID adopted the suggestions of the subcommittee in final regulations published May 1. Although employees are still concerned about the implementation of the regulations, the subcommittee determined that the regulations provided the maximum protections for individuals while still accomplishing the legislative goal.

Since May 2, 1979 the subcommittee has held a number of meetings and briefing on the implementation of the regulations. As part of its consideration of the Foreign Service Act of 1979. The subcommittee plans to take another look at how the unified personnel system is working as part of its consideration of the Foreign Service Act of 1979.

SUBCOMMITTEE ON COMPENSATION AND EMPLOYEE BENEFITS

SUBCOMMITTEE JURISDICTION

The subcommittee's jurisdiction includes Federal pay, classification, retirement, health insurance, life insurance and leave.

SUBCOMMITTEE ACTIVITIES

During the first session of the 96th Congress, the subcommittee approved seven bills. The subcommittee also conducted major reviews of:

- (1) The Federal Compensation Reform Act of 1979 (H.R. 4477);
- (2) The civil service retirement system, including the cost of merging the civil service and social security retirement systems;
- (3) Adverse effects created by early retirement because of reduction-in-force and reorganization;
- (4) Second medical opinions for elective surgery (H.R. 4281);
- (5) Federal Employees' Group Life Insurance program;
- (6) Federal Employees' Health Benefits program employee organization payment practices;
- (7) Problems and relationship of covering District of Columbia personnel under the civil service retirement system and certain Federal personnel under the District of Columbia Police and Firefighters Retirement System;
- (8) Converting Federal blue collar employees to general schedule; and
- (9) Retired Federal employees' health benefits program.

THE FEDERAL COMPENSATION REFORM ACT OF 1979—H.R. 4477

On June 6, 1979, the President sent to Congress his proposal for Federal employee compensation reform. H.R. 4477 was subsequently introduced by Mr. Hanley at the request of the Administration and was referred to the Committee on Post Office and Civil Service. The purpose of the bill is to improve the comparability system for determining Federal pay. The comparability principle, first enunciated by Congress in 1962 with the passage of the Postal Service and Federal Employees Salary Act (Public Law 87-793), provides that there be equal pay for substantially equal work; that pay distinctions be in keeping with work and performance distinctions; and that Federal pay rates be comparable with private enterprise pay rates for the same levels of work. The principle was reaffirmed for white-collar workers by the Federal Pay Comparability Act of 1970 (Public Law 91-656).

The subcommittee's chief concerns centered on H.R. 4477's major changes in the general schedule pay systems in the areas of the establishment of local wage survey areas, the total compensation comparability concept, the impact on Federal employee morale and performance and the economic impact on local communities throughout the country, as well as on the requirement that Congress pass a joint resolution of disapproval of Presidential alternative pay plans that will also be applied to the wage grade system.

The bill does not define the new wage survey areas nor the formula to be used to conduct the total compensation survey. On October 9, 1979, the subcommittee received testimony from Alan K. Campbell, Director of the Office of Personnel Management, and Ms. Janet Norwood, Commissioner, Labor Statistics, Department of Labor, on behalf of the Administration, as well as Assistant Postmaster General Nancy George and Members of Congress. In response to questioning by subcommittee Members, Administration witnesses stated that the wage survey areas were not yet defined and that a model survey formula was being developed, but had not been tested. In addition, the Administration claimed a \$2.2 billion Federal payroll "cost avoidance" if the bill is enacted, but said that Federal employees are not overpaid in comparison with their private sector counterparts. On November 15, 1979, the subcommittee received testimony from Members of Congress; Jerome M. Rosow, Chairman, Advisory Committee on Federal Pay; and Doctor William A. Gorham, former Director of the Personnel Research and Development Center, Office of Personnel Management. The subcommittee plans to continue public hearings on the bill in 1980.

A synopsis of H.R. 4477 follows:

Section 1.—Title.

Section 2.—Establishes the principle of total compensation comparability between Federal and private sector employees. Annual comparability survey will include pay and all benefits. Broadens the comparison frame to include State and local government compensation and establishes locality pay areas for general schedule employees. New comparability principles apply to the following pay systems: General schedule, prevailing rate, foreign service, and Department of Medicine and Surgery of the Veterans Administration. Nonappropriated fund employees, employees of the legislative and judicial branches, and employees in the Executive Schedule and Senior Executive Service are specifically excluded from the new total compensation comparability principle.

Provides that disapproval of an alternative plan submitted by the President will be by enactment of a joint resolution rather than by the present procedure for one House disapproval by the Congress. The President has the authority to adjust all benefits, with the exception of retirement for the statutory pay systems as well as the Senior Executive Services, Executive Schedule and Special Occupational Services. Proposed benefit adjustments are subject to disapproval by a joint resolution of Congress. In the event of Presidential objection, a two-thirds override vote of each House of Congress is required.

Establishes Special Occupational Services under which the Office of Personnel Management can create, combine or modify special occupations or groups of occupations for which the Office determines the

government would be significantly handicapped in recruiting a well qualified workforce.

Section 3.—Requires full scale wage surveys for the prevailing rate systems every three years, rather than every two years as at present. Includes State and local government employees in the survey. Repeals the requirement for uniform 7.5 and 10 percent night differentials for second and third shift night work. Office of Personnel Management will issue regulations governing night differential pay and this will be part of basic pay. Repeals the Monroney Amendment relating to out-of-area data in prevailing rate wage surveys. Applies the President's alternative plan authority to the Federal wage system.

Section 4.—Brings Federal overtime pay administration more in line with private sector practices under the Fair Labor Standards Act (FLSA). Defines "exempt employee" and "nonexempt employee" to conform with FLSA. Provides a statutory entitlement for nonexempt employees which equals or exceeds the entitlement for overtime under the FLSA. Retains existing overtime pay entitlements for exempt employees. Establishes work in excess of 40 hours per week as overtime work and abolishes current provision classifying work in excess of eight hours per day as overtime. An agency cannot direct its nonexempt employees to take compensatory time off in lieu of overtime pay. Abolishes cost-of-living allowance in non-foreign areas. Gives OPM authority to establish staffing differentials or "bonuses" for executive branch white collar employees to recruit or retain highly qualified individuals with particular skills.

Section 5.—Clarifies term "basic workweek" by defining it as 40 hours of duty for each fulltime employee. Clarifies the determination of "in lieu of" holidays when legal holidays fall on nonworkdays. The holiday will be celebrated on the workday which is closest to the actual day of the holiday. Entitlement to an Inauguration Day holiday within the Washington, D.C. metropolitan area is limited to employees who are actually scheduled to perform work on Inauguration Day. Establishes a legal holiday to honor the memory of Doctor Martin Luther King, Jr., on his birthday. Provides a statutory basis for administrative leave as prescribed by OPM.

Section 6.—Gives the President the authority to establish, modify or abolish Federal executive branch premium pay and non-foreign overseas allowance provisions. Those relating to employment in foreign areas would not be affected.

Section 7.—Technical and conforming amendments.

Section 8.—Provides indefinite pay retention for employees whose pay would be reduced because of the initial application of the provisions of the Act. These employees will receive one half of the amount of each subsequent increase in the maximum rate of the grade to which assigned until the retained rate is equaled or exceeded by the maximum rate of the grade to which assigned. No downward adjustment of benefit provisions during the first five years following enactment.

Section 9.—Alters the present method of adjusting pay for the uniformed services from the overall average percentage increase in General Schedule rates of pay to the average percentage increase in non-Federal pay. This legislation applies a total compensation comparability concept to pay for Federal civilian employees which does

not have appropriate application to pay adjustments for members of the uniformed services.

Section 10.—With the exception of the amendments to the prevailing rate system in section 3 and the uniformed services pay amendments in section 9, the Act will be placed into effect at such times as the President may direct within a five year period following the date of enactment. A full-scale wage survey for the prevailing rate system will be conducted in each individual wage area within one year after enactment. The amendments to the prevailing rate systems will be effective with the next full-scale survey ordered after October 1, 1979. Effective October 1, 1979, the requirement that full-scale surveys be conducted every two years will be changed to every three years. The first uniformed services pay adjustment will be effective on October 1 of the year in which the first total compensation adjustment occurs.

THE CIVIL SERVICE RETIREMENT SYSTEM

An amendment to the Social Security Financing Amendments of 1977 established a task force to study the feasibility of universal social security for all workers in the United States, including those employed by Federal, State and local governments and some nonprofit organizations. The report of the Universal Coverage Task Force, which is under the auspices of the Department of Health, Education and Welfare, is expected in March 1980.

The concept of universal coverage is almost 45 years old. It was discussed at the advent of social security in 1935. Staff research shows that despite the fact that 90 percent of the present workforce is covered by the social security program, it is still on a pay-as-you-go system with a total unfunded liability of approximately \$4 trillion. Integrating the Federal system with social security would cover an additional 2 percent of the workforce and add an additional 3 million benefit recipients.

In examining testimony presented to the Task Force on the subject of integration, the subcommittee found little or no hard cost data. Consequently, the subcommittee held two days of oversight hearings to determine the costs that might be associated with a merger.

On April 3, 1979, the subcommittee received testimony for the Tennessee Valley Authority and the Army and Air Force Exchange Service, two of twenty-four Federal retirement systems which already are integrated with social security. Representatives of the National Association of Retired Federal Employees and the Conference Board, an independent non-profit business research organization, also testified.

On April 24, 1979, the subcommittee received testimony from Thomas A. Tinsely, Deputy Association Director for Benefits Policy, Office of Personnel Management, and Robert P. Bynum, Acting Deputy Commissioner (Program), Social Security Administration. In response to questioning, Mr. Bynum stated that merging or integrating the civil service and social security trust funds would not provide a financial "quick fix" for the social security and emphasized that the merger would bring beneficiaries with attendant liabilities an additional 3 million into the social security system.

Mr. Bynum stated that the social security commissioners strongly support a thorough congressional review of the financing of the social

security system itself, along with consideration of the continued feasibility and viability of the goal of universal social security coverage. The subcommittee agrees that this study should be undertaken and also urges the development of a Federal policy on retirement.

The Federal government has no policy on retirement for either the government or the private section. Major retirement issues have never been addressed because of a lack of coordination between the 21 congressional committees and the executive agencies that handle various retirement system.

The primary reason the subcommittee has not been able to determine the actual cost of merging or integrating the civil service retirement system with the social security system is that no formal proposal is under consideration. However, the subcommittee feels that the potential for substantial expense to taxpayers and the Federal retirement system exists. The subcommittee will continue its oversight in this regard to ensure the continued viability of the civil service retirement system.

H.R. 1885—RETIREMENT FOR CERTAIN EMPLOYEES OF THE BUREAU OF INDIAN AFFAIRS AND THE INDIAN HEALTH SERVICE

H.R. 1885, a bill to amend the civil service retirement provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference, and to modify the application of the Indian employment preference laws as it applies to those agencies, was introduced by Rep. Morris K. Udall (D-Az.) on February 5, 1979, was jointly referred to the Committee on Post Office and Civil Service and the Committee on Interior and Insular Affairs. It would provide special early retirement benefits to non-Indian employees of the Bureau of Indian Affairs (BIA) and the Indian Health Service (IHS) who have found their career progress stymied by a 1974 U.S. Supreme Court decision applying Indian preference laws not only to initial hirings but to all personnel actions.

In *Freeman v. Morton*, 499 F.2d 494 (D.C. Cir. April 1974), the Court ruled that Indian preference laws constitute a valid employment criterion designed to further Indian self-government, and such preference applies to all promotions within the Bureau of Indian Affairs and Indian Health Service, as well as to initial hirings. Prior to the *Freeman* decision, BIA and IHS generally had applied preference only to initial hirings.

Non-Indian employees challenged the Indian preference statutes as a violation of the Equal Employment Opportunity Act of 1972. In *Morton v. Marcari*, 94 Supreme Court 3474 (1974), in an 8-0 decision, the Supreme Court rejected the challenge and upheld the preference statutes. These two rulings have the potential effect of blocking all promotions and reassignments of over 7,000 BIA and IHS employees who are non-Indians ineligible for preference.

The bill provides optional early retirement after 25 years of service or after 20 years at age 50 for non-Indian BIA and IHS employees who have been continuously employed since December 21, 1972, the date of the court decision. Employees subject to reduction-in-force are granted earlier age/length of service optional retirement. However,

a reduction in annuity is provided for those employees retiring before age 55.

The bill requires that BIA and IHS merge the competitive and excepted registers in determining reduction-in-force retention standing under 5 CFR 351, and gives the agencies flexibility in reassigning non-Indian employees under special circumstances.

On May 15, 1979, the Subcommittee on Compensation and Employee Benefits held a public hearing on H.R. 1885 (Hearing No. 96-10). Testimony was presented by the Honorable Tom Steed; representatives of the Office of Personnel Management, the Department of the Interior, and the Department of Health, Education, and Welfare; and representatives of the National Federation of Federal Employees. The administration representatives testified in favor of H.R. 1885, provided the bill was amended to incorporate changes recommended by the representatives. On May 22, 1979, the Subcommittee on Compensation and Employee Benefits approved H.R. 1885 for full committee consideration after adopting the amendments recommended by the Administration representatives. During the full committee's consideration of H.R. 1885 on June 27, 1979, the bill was further amended to require a reduction in the annuities of those employees who are under age 55 at the time of their retirements under the provisions of the bill. H.R. 1885, as amended, was ordered reported by voice vote of the Committee on Post Office and Civil Service on July 11, 1979.

By letter dated July 16, 1979, the chairman of the Committee on Interior and Insular Affairs advised the chairman of the Committee on Post Office and Civil Service that the Interior Committee had no objection to the consideration of H.R. 1885, as reported, without further action by the Interior Committee.

Pursuant to section 401(b) of Public Law 93-344 (the Congressional Budget Act of 1974), H.R. 1885 was referred to the Committee on Appropriations. The Committee on Appropriations favorably reported the bill on September 11, 1979.

H.R. 1885 was debated on the floor of the House on October 16, 1979, and was passed by a vote of 175 to 120. The bill passed the Senate on November 26, 1979. Public Law 96-135 was signed by the President on December 5, 1979.

H.R. 2583—ANNUITY PAYMENTS TO FEDERAL JUDGES

H.R. 2583, a bill to amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments for periods of employment as a justice or judge of the United States, and for other purposes, was introduced by Mrs. Spellman on March 1, 1979 and referred to the Committee on Post Office and Civil Service.

Present law pertaining to annuities and pay on reemployment, as outlined in section 8344 of title 5, United States Code, applies to all civil service annuitants reemployed in Federal service, with the exception of persons appointed to serve as a justice or judge of the United States. Under section 8344(a) of title 5, an amount equal to the annuity allocable to the period of actual employment is deducted from one's pay, except for lump-sum leave payment purposes under section 5551 of title 5. Justices and judges of the United States, who are retired Federal employees, are permitted, under existing law, to receive both full salary and annuity during periods of reemployment.

H.R. 2583 would place Federal justices and judges under the same provisions of existing law as they relate to the reemployment of all other Federal employees, by barring annuity payments to an individual for any period for which he is entitled to receive compensation on the basis of service as a justice or judge.

On July 24, 1979, the Subcommittee on Compensation and Employee Benefits held a public hearing on H.R. 2583 (Hearing No. 96-35). Testimony was presented by the Director of the Compensation Division, Office of Personnel Management.

H.R. 2583 was ordered reported by a voice vote of the Committee on Post Office and Civil Service on September 12, 1979. Pursuant to section 401(b) of Public Law 93-344 (the Congressional Budget Act of 1974), the bill was referred to the Committee on Appropriations which reported the bill, without amendment, on October 17, 1979.

On October 29, 1979, the House suspended the rules and passed H.R. 2583. The bill was referred to the Senate Committee on Government Affairs on October 30, 1979 and is pending at this time.

H.R. 2484—SURVIVOR BENEFITS FOR DEPENDENT CHILDREN

H.R. 2584, a bill to amend title 5, United States Code, to provide survivor benefits to certain dependent children, is based on an Administration proposal transmitted to the Speaker of the House of Representatives on February 8, 1979. The bill was introduced on March 1, 1979 by Mrs. Spellman and was referred to the Committee on Post Office and Civil Service.

The purpose of this legislation is to amend the survivor annuity provisions of the civil service retirement law so that statutory provisions relating to the payment of benefits to recognized natural children will conform to existing practice mandated by judicial decisions.

The current definition of "child" in the civil service retirement and health benefits laws provides benefits and coverage only to those acknowledged illegitimate children who "live with" the Federal employee "in a regular parent-child relationship." Benefits can be denied to an illegitimate child not living with the Federal employee even when the illegitimate child is receiving substantial or full support contributions from the non-resident parent; thus, this statute actually denies survivor benefits to some dependent illegitimates. However, several recent court decisions have declared the "living with" requirement in the civil service retirement law unconstitutional on the basis of Supreme Court decisions holding that statutes designed to pay benefits to dependent children may not deny benefits to some dependent children without allowing those children an opportunity to provide dependency.

H.R. 2584 amends section 8341(a) of title 5, United States Code, to remove the "living with" requirement. It fully implements the judicial decisions and extend benefits and coverage to all dependent children. It presumes that all legitimates and certain classes of illegitimates are dependent. Only those illegitimates who neither lived with nor received support from the Federal employee are not dependent children. However, while not deemed dependent, acknowledged illegitimates not living with the Federal employee may submit

proof of dependency, by showing regular and substantial parental support, and thus qualify for benefits.

On July 24, 1979, the Subcommittee on Compensation and Employee Benefits held a public hearing on H.R. 2584 (Hearing No. 96-35). Testimony was presented by the Director of the Compensation Division, Office of Personnel Management.

H.R. 2584 was ordered reported by voice vote of the Committee on Post Office and Civil Service on September 12, 1979. On October 22, 1979 the House suspended the rules and passed H.R. 2584. The bill was referred to the Senate Committee on Government Affairs on October 23, 1979, was considered and passed by the Senate on December 20, 1979 and signed into law on January 2, 1980.

H.R. 2510—COURT REVIEW FOR EMPLOYEES SUBJECT TO DISABILITY RETIREMENT

The Subcommittee on Compensation and Employee Benefits held an oversight hearing in February, 1979 on the government's use of physical and psychiatric examinations to determine employee fitness-for-duty. Based on testimony and investigation, the subcommittee found certain abuses by agencies in the use of fitness-for-duty examinations and made specific recommendations for corrective legislation and administrative action. H.R. 2510 embodies the subcommittee's recommendation that employees subjected to fitness-for-duty examination orders or forced disability retirement actions based on the examinations be assured due process through the right to request judicial review.

Through its hearings and investigation, the subcommittee determined that in many instances agencies direct employees to undergo fitness-for-duty examinations (particularly psychiatric fitness-for-duty) for disciplinary rather than medical reasons. Under current law, an employee's refusal to submit to such an examination is grounds for dismissal. If the employee submits to the physical or psychiatric examination, the agency can then present to the Office of Personnel Management the medical evidence obtained along with a request that the employee be granted a disability retirement. OPM's decisions regarding these agency-filed retirement requests are final and not subject to court review, thus denying employees due process access to judicial review.

A General Accounting Office report, "Extent of Use and Application of Fitness-for-Duty Examinations by Federal Agencies," was released May 13, 1977. The report found that of 2,518 Federal employees subjected to fitness-for-duty exams since July 1, 1973, 1,115 (or 45 percent) were found to be fit for duty. That finding presents the possibility that many employees may have been needlessly subjected to the ordeal of having their physical or mental competence questioned.

Under section 8337(a), title 5, United States Code, Federal agencies have specific authority to compel an employee to undergo a fitness-for-duty examination. Section 8347(c), title 5, states that the Office of Personnel Management shall make decisions concerning disability that "are final and conclusive and are not subject to review". H.R. 2510 strikes the clause, "and are not subject to review," to bring this

section in line with all others relating to Federal employees by permitting a meaningful appeal to the Court of Claims by an individual subjected to fitness-for-duty examinations.

The Subcommittee on Compensation and Employee Benefits held one day of hearings on H.R. 2510 on November 27, 1979 and received testimony from Mr. Gary Nelson, Associate Director, Compensation Group, Office of Personnel Management; Mr. Thomas Kennedy, Subcommittee on Investigations; Ms. Judith E. Park, Legislative Representative, National Association of Retired Federal Employees, and Mr. James Pierce, President, National Federation of Federal Employees. No further action has been scheduled to date.

H.R. 5410—NOTIFICATION OF SPOUSE

H.R. 5410, a bill to amend title 5, United States Code, to require any Federal employee who elects at the time of retirement not to provide survivorship benefits for the employee's spouse to notify (or take all reasonable steps to notify) the spouse of that election, was introduced by Mrs. Spellman on September 26, 1979 and referred to the Committee on Post Office and Civil Service.

This legislation grew out of hearings held by the subcommittee during the 95th Congress (Serial Number 95-12 and 95-17). Those hearings disclosed that many spouses were unaware of their husband's failure to provide survivor benefits and, as a result, were welfare recipients. (Due to the current composition of the Federal workforce, the majority of the affected spouses are women, although this can be expected to change in the future.)

Current law (5 U.S.C. 8339(j)) provides that an annuitant may waive the right to have a survivor's annuity for his or her spouse by notifying the Office of Personnel Management in writing at the time of retirement. No current provision is made for the notification of the spouse of this waiver of the survivor benefits by the annuitant.

H.R. 5410 provides that an employee must, according to such regulations as the Office of Personnel Management shall prescribe, notify or make all reasonable attempts to notify his or her spouse of the waiver of the survivor's annuity. However, the spouse's approval of the waiver is not necessary. The intent of the legislation is to ensure that the prospective survivor is notified of the waiver request by his or her spouse.

Should the Office of Personnel Management not be satisfied that the annuitant has properly informed, or made all reasonable attempts to inform, his or her spouse of the waiver of benefits, then the signed waiver would be considered invalid and the reduction provided by title 5, United States Code, section 8338(j) would continue.

The Subcommittee on Compensation and Employee Benefits held a hearing on H.R. 5410 on November 27, 1979 and received testimony from the Administration, the National Association of Retired Federal Employees and the National Federation of Federal Employees. The subcommittee met to consider the bill on December 5, 1979 and agreed to an amendment in the nature of a substitute. The substitute text is similar to H.R. 5410, but it does not specifically require that the spouse of an employee or Member acknowledge, by signature, the loss of survivor benefits resulting from notification or designation. The sub-

committee further agreed to a suggestion by Congressman Ford that the report of the bill contain language recommending to the Office of Personnel Management that the notification of spouse requirement will be satisfied by publication, similar to state law requirements. The substitute text was favorably reported by unanimous voice vote and is awaiting action by the Committee on Post Office and Civil Service.

S. 383—AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE EMPLOYEES

S. 383, a bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes, was referred to the Committee on Post Office and Civil Service on May 24, 1979. The purpose of S. 383, as amended, is to broaden the applicability of Public Law 90-367 by granting to former employees of the Agricultural Stabilization and Conservation Service, who become employed by a Federal agency, certain benefits, such as transferring accumulated sick and annual leave, receiving full credit for prior service in determining the annual rate of annual leave accrual and reduction-in-force preference, and transfer of rate of basic pay.

S. 383 is similar to H.R. 3311 (Stenholm), H.R. 2850 (Mitchell), and H.R. 4519 (Weaver), and H.R. 3472 (Clay), all introduced in the 96th Congress. It is also similar to S. 408 of the 95th Congress, which passed the Senate without opposition on August 18, 1978, and H.R. 3139 (Clay). A hearing on H.R. 3139 was held by the subcommittee on Compensation and Employee Benefits on June 1, 1977.

The Agricultural Stabilization and Conservation Service (ASCS) was established by the Secretary of Agriculture in 1961. ASCS administers specified commodity and related land use programs designed for voluntary production adjustment, resource protection, and price, market, and farm income stabilization. In each State, ASCS operations are supervised by a State committee of three to five members appointed by the Secretary of Agriculture. A State executive director, appointed by the Secretary, and staff carry on day-to-day operations of the State office.

In each of approximately 2,800 agricultural counties, local ASCS programs are administered by a county committee of three farmer members who are elected to the committee by farmer-elected delegates to a county convention. The county committees employ staff to carry on day-to-day operations of the county office. There are approximately 9,100 ASCS county committee employees in the United States. The county committee employees are not Federal employees although they do participate in the civil service retirement, health insurance and life insurance programs. Regulations issued by the Secretary of Agriculture control most aspects of their employment, including classification of positions, rates of pay, and procedures for filling vacancies.

Public Law 90-367, enacted on June 29, 1968, provides certain benefits for ASCS county committee employees who obtain employment with the Department of Agriculture. These benefits include transfer of annual and sick leave, service credit for leave earning and reduction-in-force purposes, and application of the highest previous rate

rule. Those former county committee employees, however, must still meet eligibility requirements for positions in the Department.

S. 383 extends the benefits of Public Law 90-367 to county committee employees who transfer to any department or agency of the executive branch, thereby providing for the transfer of annual and sick leave, service credit for leave earning and reduction-in-force purposes, and application of the highest previous rate rule. County committee employees must meet competitive selection requirements for appointment to positions in the competitive service.

The subcommittee held hearings on S. 383 on July 24, 1979 and received testimony from Members of Congress, Administration witnesses and the National Association of County ASCS Office Employees (NASCOE). The Administration is opposed to enactment of S. 383 because it believes an injustice would be done to current Federal employees if an employee, newly appointed to the Federal government from a county committee, had greater retention rights in a reduction-in-force than a long-term Federal employee, merely because the new employee is able to count as service credit the non-Federal committee experience. In addition, the Administration fears enactment of the bill will be a step in the direction of blurring the distinctions between Federal and non-Federal employment, opening the door for other groups of quasi-Federal employees to claim similar benefits.

The subcommittee plans no further action on S. 383.

ADVERSE EFFECTS CREATED BY EARLY RETIREMENT BECAUSE OF REDUCTION-IN-FORCE AND REORGANIZATION

Public Law 93-39 (1973) permitted the Civil Service Commission to grant early retirements to employees of an agency or segment of an agency when it determined that a major reduction-in-force (RIF) was underway. The law authorized the Commission to determine what would be considered a major RIF. In recommending passage of Public Law 93-39, House and Senate reports stated that in determining a major RIF, the Civil Service Commission would consider the impact on the local economy, the degree of disruption of the operations of an agency or installation, and the effect on its future capabilities to effectively carry out its mission.

Criteria for determining a major RIF were developed by the Commission in coordination with other Federal agencies, including the Department of Defense. Pursuant to the legislative history of the Act, the factors which the Commission decided to consider in determining whether early retirements should be authorized were: (1) the impact of the RIF on employees; (2) its impact on the operation of the agency; and (3) its impact on the local economy.

Because Public Law 93-39 authorized "early outs" only in a major RIF situation, it was proposed that the law be amended to include authorization of early optional retirements in cases of major reorganizations and transfers of functions. This amendment was passed by Congress as section 306 of Public Law 95-454, also known as the Civil Service Reform Act, and went into effect January 11, 1979.

The Office of Personnel Management has issued interim guidelines implementing this provision. These guidelines also provide for the authorization of early retirements when the combination of positions

abolished and positions transferred to another commuting area equals or exceeds 5 percent. As under Public Law 93-39, the guidelines permit the consideration of other factors, including the impact on the agency and the local economy.

In view of complaints that agencies may be using early retirement provisions as a management tool to rid themselves of certain unwanted employees and that hidden costs are being incurred, the Subcommittee on Compensation and Employee Benefits held oversight hearings on March 6, 1979 on the effects of voluntary early retirements under Public Laws 95-39 and 95-454.

The subcommittee is particularly concerned about the cost of early retirements. It had assumed, according to information contained in House Report No. 93-98 which accompanied Public Law 93-39, that if 1,000 employees retired under the voluntary-out provisions of the law, it would cost \$10.1 million, amortized over 30 years at \$600,000 for a total static cost of \$18 million. However, this figure appears to be some 800 percent short of what the actual cost appears to be.

There are two ways in which early retirements increase the costs of the civil service retirement fund:

First, the interval between retirement and death is decreased, and in turn, the total of monthly benefits paid after retirement is greater.

Second, the interval between initial employment and retirement is decreased so that the employee actually funds the pension reserve over a shorter time. Earnings of the pension fund become less over the lifetimes of the employees and there are debits from the fund to provide benefits for early retirees.

Prior to passage of Public Law 93-39, there were relatively few early-outs requested by agencies or granted by the Civil Service Commission, in comparison to the number actually granted and taken by employees since 1973. In fact, from 1923 to 1969, this procedure was not widely used. When used, it most often involved Presidential appointees.

Under the provisions of Public Law 93-39, 35,000 employees have been retired either voluntarily or involuntarily. However, the actual number of people or positions expected to be affected over this same period, according to agency request, was over 150,000. At the same time, despite the number of RIF's due to reorganizations and abolishment of jobs, the government civilian personnel figures have increased from 2,820,464 in 1973, to 2,921,232 as of August 31, 1978.

During the March 6 oversight hearing, the subcommittee received testimony from Joseph W. Kimmel, Vice President, William E. Hill & Co.; Jule M. Sugarman, Director, Office of Personnel Management; and James J. Pierce, President, National Federation of Federal Employees. Despite assurances from the Administration that early retirements are not expected to significantly increase under the expanded Public Law 95-454 criteria, the subcommittee is concerned that this may not be the case. The subcommittee will continue its oversight of early retirements to ensure that intent of Public Laws 93-39 and 95-454 is being realized.

H.R. 4281—SECOND MEDICAL OPINIONS FOR ELECTIVE SURGERY

H.R. 4281, a bill to amend title 5, United States Code, to provide that the Federal employee service and indemnity health benefits plans

require second opinions in the case of elective surgery covered under those plans, was introduced by Mrs. Spellman on May 31, 1979 and was referred to the Committee on Post Office and Civil Service. The subcommittee held three hearings on the bill to try to determine the benefits in terms of improved health care and reduced costs, which would accrue to the Federal Employees' Health Benefits program as a result of the institution of a mandatory second surgical opinion program. More than ten million Federal employees and their dependents are now covered under the FEHB program.

The question of the value of second opinions arises from statistics and statements that have been gathered from medical literature, from news reports and from congressional hearings, including previous subcommittee hearings. The value may be judged in both monetary and human terms. Statistics indicate that a requirement for a second opinion before surgery would provide significant financial savings to both the insured and the taxpayer through the avoidance of costly operations of dubious medical value. The subcommittee has been advised that an estimated two million unnecessary operations are performed annually in the United States and that second opinions would reduce the total number of operations performed by 10 to 15 percent. In addition, for every dollar spent for a second opinion, seven or eight dollars might be saved in operations not performed.

It is estimated that one out of every ten Americans will undergo some kind of surgery this year. Approximately 1 million operations will be paid for under the auspices of the Federal Employees' Health Benefits program. Using an average cost of \$3,000 per operation, it can be estimated that the FEHB program will be expending approximately \$3 billion on surgical care during 1979. Assuming that 10 percent of these surgeries are not needed, the FEHB program may well expend \$300 million unnecessarily over the 12-month period.

In its review of the feasibility of mandating second opinions for elective surgery in the FEHB program, the subcommittee's objectives are threefold: one, to alleviate human pain and suffering and to prevent deaths resulting from inappropriate or unnecessary surgery; two, to lower the cost of health insurance both for the Federal employee and for the government; and three, to reduce work hours lost in sick leave when surgery is required.

During 3 days of hearings, the subcommittee received testimony from distinguished physicians from both the public and private sector, the Administration, representatives of insurance underwriters for the FEHB program, directors of voluntary and mandatory second opinion programs currently operating around the country and representatives of employee organizations.

In their testimony, the Office of Personnel Management representatives informed the subcommittee that they have negotiated, for the 1980 contract period, second opinion programs with four employee organization plans within the FEHB program. These programs are voluntary in nature, but provide a penalty clause (a 20 percent reduction in coverage of surgery and anesthesia charges) where a second opinion is not obtained for a list of 20 common types of elective surgical procedures.

The subcommittee will monitor the effectiveness of the new second opinion requirements within the four FEHB program plans

and is preparing a committee print on the subject of second medical opinions for elective surgery.

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE PROGRAM

The Federal Employees' Group Life Insurance (FEGLI) program was established by Congress in 1954 on the recommendation of then-President Dwight Eisenhower. Its purpose was to enable government workers to supplement private life insurance plans. Under the program, employees may purchase FEGLI regular and FEGLI optional protection. The amount of protection available through FEGLI regular is equal to the employee's salary rounded to the next higher \$1,000, plus \$2,000 with \$10,000 as the minimum benefit payable. The FEGLI optional protection consists of \$10,000 of additional protection. Both FEGLI regular and FEGLI optional pay double indemnity to employees for accidental death. Both provide dismemberment protection to employees.

In addition, FEGLI regular and optional programs offer post-retirement, lifetime benefits. Annuitants who retire on an immediate annuity on or after November 2, 1978, and have participated in the respective FEGLI program during the 5 years of service immediately preceding retirement or during all periods in which insurance was available if less than 5 years, are eligible to continue their group insurance. Unreduced FEGLI regular coverage is provided from the date of retirement through age 65 at no charge to eligible annuitants; annuitants pay for continued unreduced FEGLI optional protection until they reach age 65. After age 65 the benefits payable to survivors of annuitants through regular and optional FEGLI begin reducing at 2 percent per month until 25 percent of the face value of the insurance in force before the first reduction remains as permanent, lifetime insurance.

The financing of FEGLI regular insurance is presently based on a level premium rate of which one-third is paid by the government and two-thirds by employees, except in the case of postal employees. The Postal Service pays 100 percent of the cost of FEGLI regular for its employees. FEGLI optional is funded on an employee pay all basis with rates that increase with age.

Overall responsibility for administration of the FEGLI program rests with the Office of Personnel Management.

The FEGLI program has been criticized by employees, unions, Members of Congress, annuitants, the General Accounting Office, the Quadrennial Commission on Executive, Legislative and Judicial Salaries, the press and many others as no longer comparable to the group insurance plans of other national employers. In 1977 the General Accounting Office issued a report, "Changes to the Federal Employees Group Life Insurance Program Are Needed." Criticisms of FEGLI relate to the sharing of the program's costs between the government and employees, the premium rates, and the design of the benefit package itself. To a considerable degree, this criticism is justified.

H.R. 1265, a bill to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional life insurance on family members, increase the contribution by the Federal government to the costs of employees' life insurance, and increase the value of em-

ployees' life insurance following retirement, was introduced by Mrs. Spellman on January 12, 1979 and was referred to the Committee on Post Office and Civil Service. The bill would redesign the FEGLI benefit structure to (1) authorize two new, employee pay all options providing additional life insurance on employees, expressed in multiples of salary, and flat amounts of life insurance on family members; (2) modify the schedule of regular FEGLI benefits to afford greater protection to young employees and (3) require that insured employees who, after December 31, 1988 become eligible to continue insurance as a recipient of compensation for work injuries under subchapter I of 5 U.S.C., chapter 81 or after retiring on immediate annuity, continue paying premiums for unreduced regular FEGLI coverage until age 65.

In addition, the bill provides that the government's share of the subscription costs will be increased from 33 $\frac{1}{3}$ percent to 40 percent and provides that reduction at 65 or at retirement, whichever is later, of 2 percent a month until the amount reaches 25 percent of the face value of the policy be limited in reduction to 40 percent of face value. Further, the bill would amend section 8707 and 8714a of title 5, U.S.C., respectively, to provide authority for both employing agencies and the Office of Personnel Management to waive collection of deductions for regular or optional life insurance when the proper amounts have not been deducted from salary or retirement benefits through no fault of the individual. While the employee or annuitant may be excused from paying retroactive deductions, the erring agency would still be required to submit the amount due to the Office of Personnel Management for deposit to the Employee's Life Insurance Fund.

On June 12, 1979 the subcommittee held hearings on H.R. 1265 and a similar bill introduced at the request of the Administration, H.R. 3448. H.R. 3448 differs from H.R. 1265 in three areas: (1) it maintains the current 33 $\frac{1}{3}$ percent government contribution to the subscription cost; (2) maintains the current 25 percent minimum lifetime protection; and (3) provides for conversion of optional life insurance on family members on the employee's death.

During the hearing the subcommittee received testimony from Stewart G. Nagler, Senior Vice President, Metropolitan Life Insurance Company; Michael Nave, President, National Association of Retired Federal Employees; James Pierce, President, National Federation of Federal Employees; and Thomas A. Tinslev, Deputy Associate Director for Benefits Policy, Office of Personnel Management.

Further consideration of H.R. 1265 and H.R. 3448 by the subcommittee has been delayed because of budgetary constraints. However, the subcommittee will seek appropriate budget authority to consider these proposals for fiscal year 1981.

FEDERAL EMPLOYEES' HEALTH BENEFITS PROGRAM/EMPLOYEE ORGANIZATION PLAN'S PAYMENT PRACTICES

The subcommittee shares the nation's concern about the rising cost of health care in our country today. In its oversight capacity, the subcommittee has sought to ensure high quality health care at reasonable costs for participants in the Federal Employees' Health Benefits (FEHB) program. Although the FEHB program generally has a good track record in this regard, at the request of the subcommittee,

the General Accounting Office submitted a report to the Congress on its investigation of the claim payment practices of three employee organization plans participating in the FEHB program—the American Federation of Government Employees (AFGE), the American Postal Workers Union (APWU) and the National Association of Letter Carriers (NALC) plans. The report, “Stronger Management Needed to Improve Employee Organization Health Plans’ Payment Practices” (September 7, 1979), concluded that the plans have paid claims for non-covered medical services and without determining whether the services were necessary or the charges reasonable. Further, it says the Office of Personnel Management has inadequately overseen the insurance plans by allowing such claim payments to be made.

The subcommittee is particularly concerned about the allegations made in the GAO report because payments outside the scope of contracts needlessly inflate insurance premium costs for plan enrollees, the government and, in some cases, all other Federal employees as well. In addition, they contribute to the overall upward pressure on health care costs nationwide.

The subcommittee realizes that neither OPM nor the insurance plans can directly affect the overall cost of health care in this country. However, it feels both can demonstrate their concern with high insurance and health care costs by seeing that benefit payments are made only for covered services performed at reasonable rates.

Consequently, the subcommittee met in its oversight capacity on November 19, 1979, to review the GAO report and receive testimony from the Office of Personnel Management and representatives of the employee organizations regarding their efforts to make improvements in claim payment practices recommended by the General Accounting Office. The subcommittee also heard from Mr. Samuel X. Kaplan of U.S. Administrations Inc., a professional benefit administration firm, regarding his organization’s efforts to reduce costs for their public and private sector clients.

The subcommittee believes that the Office of Personnel Management and the employee organizations surveyed are making bona fide efforts to improve claim payment practices and ensure proper oversight of plan administration and is working with the parties to ensure the maintenance of the Federal Employees’ Health Benefits program’s high standards.

PROBLEMS AND RELATIONSHIPS OF COVERING DISTRICT OF COLUMBIA PERSONNEL UNDER THE CIVIL SERVICE RETIREMENT SYSTEM AND CERTAIN FEDERAL PERSONNEL UNDER THE DISTRICT OF COLUMBIA POLICE AND FIREFIGHTERS RETIREMENT SYSTEM

Public Law 93-198 (Home Rule Act) requires that the District of Columbia personnel merit system be established by 1980. It also authorizes the District to establish its own personnel compensation systems or to continue participating in all or part of Federal civil service systems. It further requires that any new District personnel compensation system for existing employees be at least equal to that in effect at the time of conversion.

Because of the possibility that the District of Columbia might actually want to create and control its own retirement system, the subcommittee held oversight hearings on May 25, 1979 to discuss such

a move with District officials, as well as the recommendations contained in the General Accounting Office report, "Federal and District of Columbia Employees Need to be in Separate Pay and Benefits Systems." In addition, the subcommittee wished to review the potential problems which would arise with the enactment of S. 1037, a bill to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits. The bill specifically excluded Federal personnel covered by the District Firemen's and Policemen's Retirement Fund from system changes.

The subcommittee found that approximately 1,700 Federal law enforcement personnel and the Secret Service and Park Police participate in pay and/or retirement system designed for municipal police and firemen and administered by the District Government. Federal personnel were extended coverage under the District's system by laws enacted in the 1920's and 1940's, generally because they were recruited from the District police force or were doing jobs formerly done by District policemen. Today, however, recruiting for these positions is nationwide and some of the covered personnel are not located in Washington, D.C.

The subcommittee found that most District of Columbia employees are covered by Federal general schedule and wage grade salary schedules and civil service retirement programs. Before Home Rule began in 1975, District employees were considered Federal employees and their pay and fringe benefits were the same as those of other similarly employed Federal personnel. But the Home Rule Act established for the District a form of municipal government similar to that of other United States cities—that is, responsible and accountable to local residents.

The District of Columbia City Council has a January 2, 1980 deadline for deciding whether it wants to set up its own employee retirement, life insurance, and health benefits program. However, participation of District employees in the Federal retirement systems saves District taxpayers money. It is estimated that the District was subsidized in 1978 by about \$78 million through the Federal retirement system. Annual subsidies will continue at a growing rate as long as the District is permitted to participate in the civil service system and the current financing arrangements remain unchanged.

On the other hand, the subcommittee found that permitting certain Federal employees to participate in the District's police and firefighters retirement fund creates inequities between these employees and other Federal workers and is a greater burden on the United States treasury, as well as on the District taxpayer.

The subcommittee has decided not to legislate at the present time but is continuing to study the recommendations made by all officials during the course of its hearings. The subcommittee is particularly concerned about the lack of control the Federal government has over the compensation and retirement benefits of certain Federal law enforcement personnel.

CONVERTING FEDERAL BLUE COLLAR EMPLOYEES TO GENERAL SCHEDULE

At the request of the Honorable Paul Trible, Virginia, the subcommittee held an oversight hearing on February 12, 1979 at NASA-

Langley Research Center, located in Newport News, Virginia, in order to properly assess the problems that arose when the center converted some 1,200 Langley employees from the wage grade pay system to the general schedule pay system between 1966 and 1971.

The right of the agency to convert employees from a wage grade pay system to general schedule system is based primarily on executive branch regulations rather than statute. Specifically, civilian Federal regulations 539.202 and 531.203 controlled the conversions of the 1,200 Langley employees.

Section 539.203 provides for preserving the employee's rate of basic pay under such circumstances, or for increasing it to the next step of the general schedule grade if it falls between two steps. Section 539.202(c) defines "rate of basic pay" as "the rate of pay fixed by law or administrative action for the position held by an employee before any deductions, and exclusive of additional pay of any kind."

According to Congressman Tribble, approximately 47 out of the 1,200 conversions had their pay adversely affected. The employees affected worked on a regular schedule rotational shift basis; that is, a regular rotation between days, evenings, and graveyard shifts. The problem centered around the interpretation of regulations 539.202 and 539.203 and not statutory law. The subcommittee found regulations 539.202 and 539.203 were written primarily to address straight conversion problems; converting employees on regularly scheduled rotating shifts was not clearly addressed during the formation of those regulations.

The NASA workers rotated between three standard shifts—day, evening, and graveyard. A typical schedule would find employees working 1 week from 8 a.m. to 4 p.m., the next week from 4 p.m. to midnight, and the third week from midnight to 8 a.m. At the same time, other employees would rotate according to other schedules among the three shifts.

For working the day shift, employees would be paid the standard base pay for their positions. When employees worked the evening or second shift, they got the same base pay as the day crew plus an additional 7½ percent. When these employees worked the last shift, they received the base pay, plus 10 percent. Thus, over a period of several weeks, the pay of one of these technicians could vary in a day-to-day comparison by as much as 10 percent, depending on which particular shift the employee was working on the day in question.

When NASA decided to convert these employees from wage board to general schedule pay, the regulations for conversion did not allow for the unique rotating schedules these technicians worked. Instead of averaging the pay of these employees over a true earning period, NASA converted their pay based on their earnings for a randomly selected day. As a consequence, the new salaries for many of these technicians significantly understated their true previous earnings. The inequity was most acute for those employees working the first shift on the day selected as the base date for converting the wages. These unfortunate workers received no credit for working a shift with a night differential of 7½ percent and 10 percent.

The subcommittee has not taken any action on specific legislation to correct the inequities that develop when employees on regular rotational shift basis are transferred from the wage grade pay system to the general schedule pay system.

RETIRED FEDERAL EMPLOYEES' HEALTH BENEFITS PROGRAM

On March 6, 1979, the President transmitted to Congress his proposal to amend the Retired Federal Employees' Health Benefits Act to increase the government contribution toward the subscription charge for health coverage. The Senate bill is S. 716; the House bill is H.R. 4003.

Public Law 86-382 (1959) established the Federal Employees' Health Benefits program, which provides group health insurance coverage to active and former government employees who retired after its effective date, July 1, 1960. Congress also passed Public Law 86-724 to establish the Retired Federal Employees Health Benefits (RFEHB) program for those former government employees who retired prior to July 1, 1960. According to the House of Representatives report (H. Rept. 86-1930), the government pays 60 percent of the average high option premium of the six largest plans, but the government's contribution may not exceed 75 percent of the total premium. The Retired Federal Employees' Health Benefits program statutorily provides that the government's contribution cannot exceed \$4 per month for self-only and \$8 per month for family enrollment.

As the cost of health care in general has increased, the cost of health benefit coverage under the two Federal plans has also grown. However, the Retired Federal Employees Health Benefits program, unlike the program for active employees, has no provision to ensure that premium costs are shared by the enrollee and the government on a proportional basis.

The Retired Federal Employees Health Benefit program is experience rated and is required to be self-financing. Premiums were set at a high rate at the outset of the program in order to build up reserves which could be used to help offset future increases in the cost of health care. However, these reserves have been depleted. In order to get the program back on a self-sustaining basis, it has become necessary to increase subscription charges and the government contribution in proportion to the corresponding increases in the cost of health care.

Hearings on S. 716 were held by the subcommittee on November 27, 1979. The subcommittee received testimony in support of the bill from Gary Nelson, Associate Director, Compensation Group, Office of Personnel Management; Ms. Judith E. Park, Legislative Representative, National Association of Retired Federal Employees; and James Pierce, President, National Federation of Federal Employees.

The subcommittee met on December 5, 1979 to consider S. 716 and adopted an amendment offered by Mrs. Spellman. The amendment offered is clarifying language to section 8902(1) of title 5, U.S.C., to reinforce the subcommittee's intent when it originally added that paragraph to the law during the 94th Congress. The bill, as amended, was ordered favorably reported to the full committee.

Because the subcommittee is worried about future costs of the Retired Federal Employees' Health Benefits program, it is working closely with the Office of Personnel Management to study the feasibility of transferring these annuitants to the regular Federal Employees' Health Benefits program.

OTHER BILLS APPROVED BY THE SUBCOMMITTEE

H.R. 5015 is based on an administration proposal transmitted to the Speaker of the House of Representatives on July 11, 1979. The bill was introduced on July 30, 1979 by Mrs. Spellman and was referred to the Committee on Post Office and Civil Service. The primary purpose of this legislation is to extend for two years the application of the Federal Physicians Comparability Allowance Act of 1978 (Public Law 95-603).

The Federal Physicians Comparability Allowance Act of 1978, Public Law 95-603, title 5, United States Code, 5948, authorizes the heads of agencies to enter into service agreements with certain government physicians under which the physicians will agree to remain with the agencies in return for special allowances. The special allowance may not exceed \$7,000 per year in the case of an individual who has served as a government physician for a period of less than two years or \$10,000 per year in the case of a physician who has served for more than two years.

The allowances authorized by Public Law 95-603 may be paid only where the agencies are experiencing recruitment and retention problems. The authority to enter into service agreements expired on September 30, 1979, and no agreement entered into by that day may extend beyond September 30, 1981.

H.R. 5015, as amended, extends for two years, until September 30, 1981, the period during which the heads of agencies may enter into service agreements with physicians or dentists in exchange for special allowances and extends for two years, until September 30, 1983, the period of service which may be covered by such agreements. In addition, the bill extends the application of Public Law 95-603 to physicians employed by the Library of Congress and to individuals employed by the government as dentists.

No hearing was held on H.R. 5015. However, during the 95th Congress the Subcommittee on Compensation and Employee Benefits held hearings on a legislative proposal which subsequently was enacted as Public Law 95-603 (Hearings on H.R. 4620, Serial No. 95-55).

H.R. 5015, as amended, was ordered reported by voice vote of the Committee on Post Office and Civil Service on November 14, 1979.

On December 10, 1979, the House voted to suspend the rules and pass H.R. 5015. The bill is currently awaiting Senate action.

S. 387 was referred to the Committee on Post Office and Civil Service on May 30, 1979. The purpose of the bill is to provide paid leave for a Federal employee participating in certain athletic activities as an official representative of the United States. The bill provides that Federal employees will be permitted leave with pay, not to exceed 90 days, to prepare or participate in the world, Pan American, or Olympic games as a representative of the official U.S. team.

In many countries athletes who compete on an international level are subsidized by their governments during periods of training and participation in organized competition. In the United States, athletes generally do not receive any financial assistance or direct remuneration for time spent in preparation for or competition in international sports competition. However, for many years the government has per-

mitted military athletes time off to train in preparation for national and international competition.

Under current law, the only options for granting time off to participate as an official representative in the Olympic games are annual leave and/or leave without pay. Employees can be granted all the annual leave to their credit. In addition, they can be advanced the annual leave they would earn through the end of the leave year. Any time off in excess of their annual leave would have to be covered by a request for leave without pay.

Several States, including Minnesota, Ohio, Florida, Pennsylvania, and New York have enacted legislation to accommodate their employee athletes.

S. 387 establishes a new section in title 5, United States Code, "Absence while representing the United States in certain athletic competition." It provides 90 days paid leave in a calendar year for an employee who is a member of the official delegation of the United States to world, Pan American or Olympic competition. The bill defines the terms "United States Team" to include any coach or athlete who is member of the official delegation of the United States to world, Pan American or Olympic competition.

The subcommittee held hearings on S. 387 on October 29, 1979 and received testimony from Craig Pettibone, Office of Pay and Benefits Policy, Compensation Group, Office of Personnel Management; and F. Don Miller, United States Olympic Committee. In his testimony, Mr. Pettibone expressed the Administration's support for the concept embodied in S. 387, but recommended limiting the period to excused leave and limiting the type of competition for entitlement to such leave to the Olympic and Pan American games.

The subcommittee met on December 5, 1979 to consider S. 387. A substitute text for S. 387 was offered by Mrs. Spellman and was agreed to by voice vote. The substitute text made certain technical amendments and limited leave to only those employees who prepare for or participate in any international athletic competition sanctioned by the International Olympic Committee which is limited to individuals who have a handicapping condition. In addition, the substitute text further expanded the the original bill to amend title 39 to provide the same type of leave for postal employees. The substitute text was favorably reported to the committee by unanimous voice vote.

S. 387 is a waiting committee action.

SUBCOMMITTEE ON HUMAN RESOURCES

SUBCOMMITTEE JURISDICTION

The subcommittee jurisdiction includes Federal civilian personnel requirements and ceilings; effects of government reorganization on Federal personnel; manpower utilization; reductions in force; contracting out; rights of privacy; code of ethics; financial disclosure; conflicts of interest; and intergovernmental personnel programs.

SUBCOMMITTEE ACTIVITIES

During the first session of the 96th Congress, the Subcommittee on Human Resources approved two bills and conducted investigations and oversight of all matters within its jurisdiction. Major reviews were carried out on:

- (1) Ethics and financial disclosure;
- (2) Federal contracting;
- (3) Intergovernmental personnel programs in labor-management relations;
- (4) Implementation of the Senior Executive Service (SES) and administration of the supergrade pool;
- (5) Executive level and supergrade positions in the Department of Education and other Federal agencies;
- (6) Basic workweek of Federal firefighters; and
- (7) The Part-Time Career Opportunity Act of 1978.

ETHICS AND FINANCIAL DISCLOSURE

H.R. 2805 was introduced in March 13, 1979, by Mr. Danielson (for himself and Mr. Moorhead of California) and was referred jointly to the Committees on the Judiciary, Post Office and Civil Service, and Rules. The bill clarifies the financial disclosure provisions of titles I, II, and III of Public Law 95-521.

The subcommittee held a hearing on the legislation on April 23, 1979 and received testimony from the Director of the Office of Government Ethics. On April 25, 1979, the Committee on Post Office and Civil Service, by voice vote, ordered H.R. 2805, as amended, reported to the House. On the same day, the Committee on the Judiciary ordered reported an identical version of H.R. 2805.

H.R. 2805, as amended provides:

For the waiver of the requirements that financial disclosure statements be filed in the case of (1) employees who serve less than 60 days in any calendar year, and (2) certain consultants who serve less than 130 days in a calendar year, provided the consultant is not a full-time employee, is able to provide services specially needed by the government, and public disclosure "is not necessary to the circumstances";

That gifts and reimbursements received when an individual was not a Member or employee need not be reported if "a publicly available request for a waiver is granted";

Clarification that defeated candidates need not file disclosure reports;

That investment advisors may serve as trustees for blind trusts;

That only "gross income" must be reported (reporting of "net income" is optional);

Alternate methods for determining the current value of real property;

Clarification of the coverage of the Executive branch provisions by defining "Executive branch" to include "Executive agencies" (which includes Executive departments as well as independent regulatory commissions such as the Federal Communications Commission and the Securities and Exchange Commission as well as other entities or administrative units in the Executive branch; and

That person reviewing or copying disclosure statements must provide certain information such as their name, address, and the person or organization on whose behalf they are reviewing or inspecting the statement.

On May 23, 1979, the Senate passed H.R. 2805, which had been approved in the House on May 14, 1979. It was signed by the President on June 13, 1979 (Public Law 96-19).

FEDERAL CONTRACTING

Although no one knows precisely how much the Federal government spends on contracting-out for supplies and services, estimates run as high as \$150 billion annually. Consequently, the subcommittee, in conjunction with the Subcommittee on Investigations, began an extensive investigation in March 1979 in government practices relating to contracting-out for personal services. The results of the investigation were startling:

Five years after passage of a law that was to establish an Office of Federal Procurement Policy, there is still no uniform policy:

There is widespread noncompliance with existing policies;

There is no systematic method of determining when an agency has violated regulations; no mechanism for enforcing regulations; and no "punishment" for an agency that flagrantly violates the rules.

On July 10, 1979, subcommittee Chairman Harris introduced legislation, H.R. 4717, to correct the major deficiencies in Federal procurement procedures and the bill was referred to the Committee on Post Office and Civil Service. Hearings were held on September 7, September 11, September 20, and September 25 in Washington and on October 4, 1979 in West Point, N.Y. Testimony was received from Members of Congress, representatives of the administration, Federal employee representatives, associations representing private industry, and State and local government officials.

The subcommittee ordered an amended bill reported on October 17, 1979. The bill, with one additional amendment, was ordered reported

from the Post Office and Civil Service Committee on November 14, 1979. No floor action had occurred at the end of the first session.

The amended bill provided that:

Personnel ceilings should be used to ensure the most cost-effective utilization of all aspects of the Federal workforce and should be adjusted to reflect Federal contracting for services;

The Office of Management and Budget (OMB) would be required to lower the personnel ceiling of an agency which contracts for work previously done by Federal employees;

OMB must raise the personnel ceiling of any agency which determines that it does not have adequate personnel to perform a function and has demonstrated that it can be performed in-house more cost-effectively than by contract;

OMB shall issue a quarterly report to Congress which shall include (a) the number of contracts entered into by each Executive agency during that quarter, (b) the number of employees who would have been employed in the absence of such contracts, and (c) the adjustments to agencies' personnel ceilings during that quarter;

To conform with present statutory and regulatory language, contracts of less than \$100,000 are excluded from the provisions of the bill, with protections against fragmentation of functions to artificially fall below \$100,000 (subcommittee amendment);

Contract decisions based on cost-effectiveness must be recompared with in-house costs if the contract cost increases in one year by more than 2% plus the GNP deflator (except for contracts in which the original cost-comparison took into account fixed increased costs for subsequent years) (subcommittee amendment);

The head of the agency must certify that the in-house cost determination for the function is based on the most cost-effective in-house organization (subcommittee amendment);

A factor in performance appraisals for positions in the Senior Executive Service and under the Merit Pay System shall be the administration of personnel ceilings on a cost-effective basis and compliance with rules, regulations and procedures applicable to contracting, and;

Agencies may not obligate more than 20 percent of their single year appropriations in the last two calendar months of the fiscal year.

FEDERAL PROCUREMENT DATA CENTER

The subcommittee worked closely with the Committee on Government Operations of the U.S. House of Representatives and with the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs of the U.S. Senate to move the Federal Procurement Data Center, which was established to develop a data base on Federal procurement actions, from the Department of Defense to the General Services Administration. The subcommittee felt that GSA would be a more appropriate location for a function with a cross agency mission and that the move would underline the need for procurement activity reporting by Executive agencies.

INTERGOVERNMENTAL PERSONNEL PROGRAM

The Intergovernmental Personnel Act (Public Law 91-648, 1970) was the first comprehensive Federal program designed to improve the personnel resources of State and local governments through coordinated effort with the Federal government. It is administered by the Office of Intergovernmental Personnel Programs of the Office of Personnel Management.

The IPA programs are intended to aid State and local governments in designing and administering effective personnel systems by providing training and technical assistance to public administrators in collective bargaining and labor-management relations. However, there has been considerable controversy on this subject for several years, including allegations that IPA-sponsored projects have had a negative impact on labor-management relations. Consequently, the subcommittee held hearings on July 18 and 19, 1979 to determine how IPA funds have been used in labor-management relations and to ascertain if changes are needed to ensure that Federal funds are used in the most productive manner.

Testimony indicated that IPA funds have been used in a manner that appears to adversely affect stable, productive labor-management relations. Subcommittee Chairman Harris suggested that changes in regulations be made to correct inequities in the implementation of the Act. The subcommittee staff has met with Mr. Norman Beckman, Assistant Director for Intergovernmental Personnel Programs, OPM, to discuss these changes and it is anticipated that new procedures can be implemented in 1980.

IMPLEMENTATION OF THE SENIOR EXECUTIVE SERVICE (SES) AND ADMINISTRATION OF THE SUPERGRADE POOL

Title IV of the Civil Service Reform Act established the Senior Executive Service (SES).

The SES, which went into effect July 13, 1979 makes major changes in personnel regulations covering the majority of government managers.

Because of the serious concern about the potential for politicization of the bureaucracy created in the SES, the subcommittee held a meeting with Alan Campbell, Director of the Office of Personnel Management to discuss the conversion of positions to the SES, adherence to the limitations on noncareer and limited SES appointments, administration of the supergrade "pool" and the scientific and professional "pool" created by the Act; and the employee evaluation forms distributed by the White House.

At the subcommittee chairman's request, OPM Director Campbell agreed to send a written notification to all agencies that the "White House evaluation form" could not be used to evaluate career civil service employees.

Additionally, because OPM did not provide sufficient information on agency contracting for assistance in personnel areas, the subcommittee chairman offered an amendment to the Civil Service Authorization Act (H.R. 5138) to require OPM to report to Congress on all Executive agency contracts in the area of personnel management. The amendment was approved by the full Post Office and Civil Service Committee and by the U.S. House of Representatives.

EXECUTIVE LEVEL AND SUPERGRADE POSITIONS

A provision of the Civil Service Reform Act requires the President to submit to Congress a plan for authorizing Executive level positions by January, 1980. In light of this provision, the subcommittee chairman determined that it would be inappropriate for the subcommittee to take action during the first session on any agency requests for new Executive-level authorizations or for adjusting the classification levels of current executives.

EXECUTIVE LEVEL CEILING AND SUPERGRADE POOL

Section 414(b) of the Civil Service Reform Act places a ceiling on the number of Executive-level and similar positions. That ceiling is the number of Executive level positions that were in existence on October 13, 1978, the date of enactment of civil service reform. The Civil Service Reform Act also established a "pool" for supergrade (Grades 16-18) positions government-wide and mandated that the total number not exceed 10,777.

The subcommittee has monitored legislation affecting these positions and the subcommittee chairman has been successful in passing amendments to remove the offending language from several bills. For example, when the Committee on Government Operations was considering the bill to establish the Department of Education, the subcommittee chairman wrote to Chairman Brooks expressing concern about provisions of the bill relating to new Executive level and supergrade positions. After a meeting between the subcommittee staff, the full committee staff and the staff of the Committee on Government Operations, Chairman Brooks successfully offered 11 amendments. In addition to correcting personnel provisions of the bill, the amendments require that a report to Congress by the Office of Personnel Management within one year after the effective date of the Act include:

An identification of any position within the Department or elsewhere in the Executive branch, which it considered unnecessary due to consolidation of functions under the Act;

A statement of the number of employees entitled to pay savings by reasons of the reorganization under this Act;

A statement of the number of employees who are voluntarily or involuntarily separated by reason of such reorganization;

An estimate of the personnel costs associated with such reorganization;

The effects of such reorganization on labor-management relations; and

Such legislative and administrative recommendations for improvements in personnel management within the Department as the Director considers necessary.

The following language was also added through these amendments for annual report to Congress:

Such report shall also include an estimate of the extent of the non-Federal personnel employed pursuant to contracts entered into by the Department under section 425 or under any other authority (including any subcontract thereunder), the number of such contracts and subcontracts pursuant to

which non-Federal personnel are employed, and the total cost of these contracts and subcontracts.

During floor consideration and amendment to strike language raising the Executive level ceiling was successfully offered.

The conference committee agreed to the above provisions.

FEDERAL FIREFIGHTERS' WORKWEEK

The subcommittee held hearings on September 14, 1979 on H.R. 2748, a bill to improve the basic workweek of Federal firefighters. H.R. 2748 is identical to H.R. 3161, which was passed by the House and Senate during the 95th Congress, but vetoed by the President on June 19, 1978 (H. Doc. No. 95-358).

The approximately 12,500 firefighters employed by government agencies now work a 72-hour week, compared to an average municipal firefighter workweek of less than 54 hours. Schedule and pay disparities appear to be reasons why the Federal firefighting program attracts less experienced persons and serves as a training ground for municipal fire departments.

Further action on the legislation is anticipated after the subcommittee completes a survey that will document the turnover rate among Federal firefighters.

PART-TIME CAREER OPPORTUNITY ACT (P.L. 95-437)

The 95th Congress passed the Part-Time Career Opportunity Act (Public Law 95-437) to encourage the use of part-time career employment in the Federal government.

Public Law 95-437 provides that in administering an agency personnel ceiling, a part-time employee shall be counted as a fraction determined by dividing 40 hours into the average number of hours of such employee's regularly scheduled workweek.

This provision is designed to alter traditional personnel ceilings which have discouraged true part-time employment by attributing equal weight to 8-hour and 30-hour employees.

The subcommittee staff has met with Office of Personnel Management officials on the implementation of the act and has monitored the development of implementing regulations.

SUBCOMMITTEE ON CENSUS AND POPULATION

SUBCOMMITTEE JURISDICTION

The subcommittee's jurisdiction includes the Bureau of the Census, generally; population and demography; statistics collection; reporting and data processing activities of the government, generally; and holidays and celebrations.

SUBCOMMITTEE ACTIVITIES

During the first session of the 96th Congress the subcommittee concentrated primarily on oversight of the decennial census program. The subcommittee also reviewed the reclassification of Standard Metropolitan Statistical Areas; the confidentiality of Shipper's Export Declarations; and commemorative and holiday legislation.

1980 CENSUS

The subcommittee conducted 20 days of oversight hearings on the 1980 census. A schedule of hearings follows:

Cities and dates:

- Washington, D.C., March 7, 1979.
- Albany, N.Y., March 13, 1979.
- Manhattan, N.Y., March 30, 1979.
- San Francisco, Calif., April 17, 1979.
- Fresno, Calif., April 19, 1979.
- Dover, N.J., April 27, 1979.
- Houston, Tex., May 4, 1979.
- Los Angeles, Calif., May 25, 1979.
- San Diego, Calif., May 29, 1979.
- Baltimore, Md., July 13, 1979.
- San Juan, Puerto Rico, October 2, 1979.
- Ponce, Puerto Rico, October 4, 1979.
- Brooklyn, N.Y., October 13, 1979.
- Harlem, N.Y., October 15, 1979.
- Chicago, Ill., November 5, 1979.
- Detroit, Mich., November 7, 1979.
- Lower Manhattan, N.Y., November 13, 1979.
- Phoenix, Ariz., November 30, 1979.
- Austin, Tex., December 3, 1979.
- Washington, D.C., September 18, 1979.

Because planning and testing for the 1980 decennial census was nearly complete when the 96th Congress convened, the subcommittee held hearings to inform the public about the census and to address potential problems that could prevent an accurate count. The subcommittee heard from 200 witnesses representing State and local governments.

clergy, community activists and the general public. The hearings enabled the subcommittee to discuss the fiscal and political implications of the census, to elicit community awareness of the census and to address concerns about individual privacy and use of the data. The field hearings also enabled the subcommittee to encourage civic and church leaders to assist and promote the census, to explore the cause and effect of undercounts, especially in minority areas, and to explore possible remedies, such as a statistical adjustment to offset a short count. The subcommittee plans additional field hearings during the second session to obtain information that will serve as the basis for legislative initiatives.

At the subcommittee chairman's request, the General Accounting Office continued its review of the decennial census program. The subcommittee received reports on a fire in the Jeffersonville, Indiana processing facility and on a flood in the main computer room at Bureau of the Census headquarters in Suitland, Maryland. Although it is not possible to determine whether these accidents will have a serious impact on the census, the Bureau already has repaired the physical damage at each site, routed computer processing to private satellite facilities and acquired a new computer to replace equipment destroyed by the flood. The subcommittee will monitor the situation during the second session.

OFFICE SPACE FOR THE 1980 CENSUS—S. 1318

A provision in the Economy Act of 1932 prohibiting the Federal Government from leasing space for more than 15 percent of the property's fair market value created the anomalous effect of foreclosing the Bureau of the Census from contracting for space in older buildings suited to census operations but valued so low that compliance with the 15 percent limit was impossible. To remedy this situation, the Administration requested legislation waiving the fifteen percent ceiling on rental agreements. The Senate substituted a limit of 205 percent of the fair annual rental with a requirement that the "fair annual rental" be determined through an independent appraisal. The bill was passed by the House of Representatives on August 2, 1979.

REDESIGNATION OF STANDARD METROPOLITAN STATISTICAL AREAS

The Standard Metropolitan Statistical Area (SMSA) classification is a composite of statistical criteria on metropolitan areas developed for use by Federal agencies in the production, analysis and publication of data on metropolitan areas. The redefinition of SMSA boundaries occurs after each decennial census and is a critical factor in the flow of Federal funds to metropolitan areas.

During the first session of the 96th Congress, the U.S. Department of Commerce published proposed changes in SMSA designations. Because of widespread concern about the consequences of these changes, legislation was introduced to postpone implementation of the regulations, or in the alternative, to effect a "hold harmless" status in terms of Federal funding to areas affected by the changes. The first bill, H.R. 1612, directed the Commerce Department to prepare an economic impact report on the proposed revisions. The second measure, H.R. 1613, provided that an SMSA would continue to receive

Federal benefits at a level not less than it was receiving prior to any reclassification. The subcommittee held hearings on the legislation on March 16, 1979. Both the subcommittee and the Commerce Department received comments expressing concern about the redesignation. The Commerce Department is redrafting the original proposal and additional subcommittee hearings and study are planned to determine the effects of the proposed reclassification of SMSAs.

SHIPPER'S EXPORT DECLARATIONS

Following a Freedom of Information Act challenge to the U.S. Department of Commerce's policy of nondisclosure of information on exported commodities contained on the Shipper's Export Declaration form, Congress extended confidentiality until June 30, 1980. The Commerce Department has sought a permanent exemption. On September 11, 1979, at the request of the Administration, the chairman of the subcommittee introduced H.R. 5233 to bar the release of the shipper's export declarations. The subcommittee intends to conduct a complete review of issues related to the confidentiality of the forms in the second session.

HOLIDAYS AND CELEBRATIONS

On the average, more than 150 commemorative resolutions are introduced during each session of Congress. Consequently, the full committee approved the following policy for the consideration of commemorative legislation during the 96th Congress:

It shall be the policy of the committee that legislation providing for designation of commemorative days or other periods shall be considered only three times each year during the months of February, June, and October.

The following types of proposals shall not be reported:

- (a) Any proposal concerning a commercial enterprise, specific product, or fraternal, political or sectarian organization;
- (b) Any proposal concerning a particular State or any political subdivision thereof, city, town, county, school, or institution of higher learning;
- (c) Any proposal concerning a living person; and
- (d) Any proposal providing for recurring annual commemorations.

All other proposals with national appeal and significance, which shall be demonstrated by co-sponsorship of the resolution or written endorsement, or a combination thereof, by a majority of the Members of the House, may be reported.

Of the 177 commemorative bills introduced during the first session, 13 proposals met the committee's criteria, were approved by the House and signed by the President. They include: National Museum Day, May 18, 1979; National Historic Preservation Week, May 6 through 12, 1979; United States Space Observance Week, June 16 through 24, 1979; National Lupus Week; National Diabetes Week, May 14 through 20, 1979; National Grandparents Day, first Sunday of September following Labor Day; National Meals on Wheels Week, September 16 through 22, 1979; National Port Week, the seven calendar days beginning October 7, 1979; Will Rogers Day, November 4, 1979; National Family Week, the week beginning November 18, 1979; National Child Abuse Prevention Month, December 1979; Scouting Recognition Week, December 3 through 9, 1979; and National Unity Day, December 18, 1979.

MARTIN LUTHER KING HOLIDAY LEGISLATION

In each Congress following the death of Dr. Martin Luther King, Jr., legislation has been introduced to designate Dr. King's birthday as a national legal public holiday.

At the beginning of the 96th Congress, Representative John Conyers (D-Mich.) introduced H.R. 15 with 125 cosponsors. Similar legislation (S. 25) was introduced in the Senate. On March 27, 1979, the subcommittee held a joint hearing with the Senate Judiciary Committee.

On September 20, the subcommittee adopted an amendment postponing the effective date of the legislation for two years after the date of enactment. Subsequently, a bill was ordered reported by voice vote and subcommittee Chairman Garcia introduced H.R. 5461.

The full committee favorably reported the measure by a voice vote on October 10.

As reported by the full committee, H.R. 5461 would have set aside January 15 of each year as the tenth legal public holiday observed by the 2.8-million Federal workforce. According to the Congressional Budget Office, an additional holiday would cost the government \$23.1 million in overtime and premium pay benefits.

H.R. 5461 was considered by the House under Suspension of the Rules on November 13, 1979, where it failed to obtain the necessary two-thirds votes in favor of passage. Subsequently, an open rule was granted and the House reconsidered but did not complete action on the proposal on December 5, 1979.

During its consideration of the holiday bill the House took the following action:

Adopted an amendment by Representative McClory designating the third Monday of each January as a new Federal holiday in honor of Dr. King.

Adopted a substitute offered by Representative Beard, to the committee bill, establishing the third Sunday of January as a new holiday for Dr. King.

Upon adoption of the substitute offered by Mr. Beard, Chairman Garcia temporarily withdrew the bill from House consideration. The bill is expected to be rescheduled for floor action during the second session.

