

March 7, 2007

MEMORANDUM

TO: Chapter Presidents and Legislative Coordinators

RE: 2007 Legislative Conference Review

SUMMARY: The 2007 Legislative Conference took place in Washington, DC, February 26–March 1. Over 330 NTEU members participated in the annual conference and visited hundreds of congressional offices on Capitol Hill.

Between February 26th and March 1st, over 330 NTEU members took part in the annual NTEU Legislative Conference. As in previous years, participants attended workshops, heard speeches from key policymakers, met with lawmakers on Capitol Hill, and learned about issues of prime importance to NTEU's legislative agenda. Additionally, the conference included several special events.

The conference began on Tuesday morning with guest speaker, House Majority Leader Steny Hoyer (D-MD). On Tuesday evening conferees gathered at the National Law Enforcement Officer's Memorial for the Annual Customs Vigil. Names of each of the Customs and Border Protection Officers (CBPOs) killed in the line of duty were read aloud and candles were lit in their memory. It was truly a special ceremony, and we hoped it helped to highlight the need for law enforcement status for CBPOs.

On Wednesday NTEU members had an opportunity to hear from and ask questions of a panel of Senate and House committee staff members who work on issues important to federal employees. These panel members were able to give some insight on what issues will be focused on in this new 110th Congress. On Wednesday evening, conference attendees gathered and spoke informally with members of Congress at the annual NTEU Congressional Reception.

On the final day of the conference, attendees were addressed by Congressman Chris Van Hollen (D-MD). Also during this closing luncheon, seven chapters from around the country were awarded plaques to recognize and congratulate them on participation and success in NTEU's 2006 POWER Program.

Amidst all of the activities, conference attendees were busy making visits to members of Congress. These face-to-face meetings are critical in getting our message heard by lawmakers at the highest level and certainly reminded Capitol Hill of the power of NTEU and our federal employee members. Along with Hill visits, conference attendees also participated in a variety of workshops with NTEU staff. Workshops on contracting out, the new 110th Congress, the Food and Drug Administration, Department of Homeland Security legislative issues, electronic research tools, and communications gave our members the chance to learn about subjects that they were unfamiliar with.

The 2007 legislative conference focused on a number of priority issues set by members of the Legislative Advisory Committee who met in Washington, DC, in January. I have included the fact sheets that were distributed at the conference. These fact sheets are identical to the ones that our members used in their lobbying visits to Capitol Hill, and they can also be found on the NTEU web site. I hope you find them useful and informative, and I encourage you to use them in your own visits with your members of Congress throughout the year.

Strong chapter leadership is vital to NTEU's ability to engage its members in effective and educational national events. I thank all who attended for acting as leaders. For more information on the conference as well as pictures, please visit www.nteu.org.

Colleen M. Kelley
National President

Attachments



National Treasury Employees Union Legislative Action

110th Congress 1st Session

FAIR PAY FOR FEDERAL EMPLOYEES

Last year federal employees received an average 2.2 percent pay raise, **the lowest pay increase for civil servants since 1988**, and the lowest military raise since 1994. Now, in his Fiscal Year 2008 budget submission, the President asked for a 3 percent raise for federal civil servants and the military. While the good news is that the pay raise is not as low as last year, the bad news is that federal employees are still victims of the widening pay gap with the private sector. Next year's increase should be at least 3.5 percent to begin to address this discrepancy. A 3.5 percent raise would equal Employment Cost Index (ECI) plus ½ percent which has been the raise for military and civilian employees every year of the Bush terms except last year.

The Federal Employees Pay Comparability Act (FEPCA) was enacted in 1990 to close the gap between federal and private sector pay, and has never been fully implemented. Today, federal employees on average are paid 13 percent less than their private sector counterparts. In addition to the government's need to close this gap, particularly when facing additional hiring challenges associated with baby boomer retirements and fewer workers overall, federal employees deserve a fair wage to keep up with the inflation and rising health care costs.

The Administration's budget is deficient in another way which further reduces the potential for the FY 08 pay raise. It proposes to fund special rate pay out of this increase. Special rate pay is an enhancement for particular, hard to fill crafts and occupations. It is a flexibility available to agencies following review and approval by the Office of Personnel Management. In previous years it has been funded separately by agency budgets. **While agencies should have the resources they need to provide special rate pay, it should not come by raiding the locality adjustments and annual pay increase for federal workers.**

NTEU seeks your support for a fair and equitable pay raise of **3.5 percent** for the Nation's federal civilian and military workforce for FY 2008. We also ask you to **oppose the Administration's legislative proposal to fund special rate pay by diverting part of the locality and annual pay raise.**



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FEHBP AND HEALTH CARE AFFORDABILITY

Like all Americans, federal employees and retirees continue to face ever increasing health care costs. Federal Employees Health Benefits Plan (FEHBP) premiums have increased by an average of 6.4 percent in 2006 and by over fifty percent since 2001. Yet, the program has seen benefits and coverage cutbacks, higher co-payments and the addition of new plans that undermine the integrity of the system. NTEU will be pushing the new Congress to take a comprehensive look at FEHBP to see how costs can be held down for the 8 million enrolled federal employees, annuitants and their families.

NTEU supports legislation to increase the share of health premiums paid by the government. At the current time, the federal government pays a weighted average of 72% of the insurance premium for its employees. This contrasts sharply with most large private sector and state and local government employers who routinely pay an average of 80% of their employees' health insurance premiums. NTEU will be supporting legislation soon to be introduced by Rep. Steny Hoyer (D-MD) to increase the federal share of the premium to 80%, thereby reducing costs to enrollees. Your assistance in signing on as an original cosponsor of the Hoyer FEHBP legislation is requested.

Recently, the Government Accountability Office (GAO) found that projected increases in the costs of prescription drugs contributed to premium increases in FEHBP. (GAO-07-141) Unfortunately, the Office of Personnel Management (OPM) has not applied for a subsidy available under the Medicare prescription drug law to which it is entitled. GAO reported that had OPM received the subsidy, premiums could have been lowered by an average of 2% percent and in some plans by up to 3.5% to 4%. Further, OPM is not allowed to directly negotiate for lower prescription drug prices. NTEU believes Congress needs to investigate these program shortcomings and consider reforms to increase the affordability of FEHBP for participants.

NTEU asks for your original cosponsorship of the Hoyer bill to make health insurance more affordable for federal enrollees by increasing the federal share of the premium. NTEU also seeks your support for efforts to require OPM to apply for the Medicare prescription drug law subsidy and to negotiate for lower prescription drug prices.



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Eliminate Unfair Social Security Offsets: The Government Pension Offset (GPO) and Windfall Elimination Provision (WEP)

Federal employees who retire from government service can be subject to two provisions of law that reduce their income and threaten their economic well being. The Government Pension Offset (GPO) affects tens of thousands of individuals who are entitled to receive a federal pension from their own work and who are also eligible for Social Security based on their spouse's record of work. The Windfall Elimination Provision (WEP) reduces a retiree's Social Security based on their *own* earnings by up to 55 percent simply because they receive a public pension.

Under GPO, the reduction in Social Security benefits is equal to two-thirds of the government pension. For example, in the case of a monthly CSRS annuity of \$1,200, 2/3rds of that – or \$800 – would be used to offset a retiree's spousal benefits. If the retiree were eligible for a \$900 benefit, they would only receive \$100 a month after the GPO. In many cases, the spousal benefit can be entirely eliminated. In a similar vein, the WEP penalizes federal employees when they retire by offsetting "substantial earnings" under their own Social Security earnings by using a different formula calculation.

These offsets are simply unfair. They often penalize female federal employees who have smaller pensions because they may have interrupted a career to raise a family. And they can push lower paid annuitants into poverty. The GPO offset is particularly offensive since it is not applied equally to retirees who are eligible for both private sector pensions and Social Security, but rather singles out the public annuitant.

NTEU supports legislation to repeal both offsets. Rep. Howard Berman (D-CA) has introduced H.R. 82 in the House of Representatives and Sen. Dianne Feinstein (D-CA) introduced S. 206 in the Senate. These bills have bipartisan support and would repeal the offsets.

NTEU asks for your co-sponsorship of H.R. 82 and S. 206 to provide a fair retirement to federal employees.



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LABOR MANAGEMENT PARTNERSHIPS IN THE FEDERAL GOVERNMENT

On October 1, 1993, President Bill Clinton issued Executive Order 12871, establishing labor-management partnerships in the federal government. On February 17, 2001, President George W. Bush revoked that Executive Order. NTEU believes it is time to re-establish labor-management partnerships in the federal government.

The motivation behind the issuance of Executive Order 12871 was a recognition of the need to transform the existing hostile, adversarial labor-management relationships into problem solving relationships. President Clinton mandated the creation of partnerships because, as he said, "Only by changing the nature of federal labor-management relations so that managers, employees, and employees' representatives serve as partners will it be possible to design and implement comprehensive changes necessary to government." The purpose of the partnerships was not to provide for co-management, but to "identify problems and craft solutions to better serve the agency's customers and mission."

Partnership is a recognition that employees and their union representatives can add value to the decision making process. It is an acceptance of the fact that those who do the work have knowledge and information that can be helpful to decision making. It also represents an understanding that participation in the decision making process often leads to an understanding and acceptance of the ultimate decision.

The need to re-establish labor-management partnerships is clear. In many federal agencies, relationships between employees and their representatives and management are adversarial and lacking in trust. This has created a morale problem at many mission critical agencies. A recent study by the Office of Personnel Management found that the Department of Homeland Security, which has been beset by labor management problems, has the lowest morale in the federal government.

NTEU urges you to support legislation that would reinstitute labor-management partnerships in the federal government.



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GOVERNMENT PRIVATIZATION

In 2003, the Office of Management and Budget (OMB) unveiled its privatization initiative, which seeks to open up at least half of all federal employee jobs to private contractors. In 2004, the Administration succeeded in getting authority from Congress to allow the IRS to use private collection companies to pursue taxpayers who have outstanding tax liabilities.

During the last Congress, NTEU succeeded in getting a provision enacted that begins to level the playing field for federal employees. Representative Chris Van Hollen's NTEU-supported amendment to prohibit OMB from using its revised A-76 Circular as the guideline for competitive sourcing passed the House of Representatives 222-203. Senator Barbara Mikulski (D-MD) authored, and fiercely fought for, language in the FY 2006 Transportation, Treasury, HUD Appropriations bill that was included in the final bill. This language, which needs to be renewed each year, was retained for FY2007. The Mikulski language does the following:

- **Allows federal employees to offer their own realistic best bid** with a most efficient organization (MEO) in job functions being performed by more than 10 federal employees;
- **Requires a 10% or \$10 million cost savings** of the contractor in order for the work to be contracted out; and
- **Allows executive agency heads** to conduct public-private competitions **to bring contracted work back in-house.**

NTEU will work toward putting the above safeguards into permanent legislation and to add further strengthening and improving amendments such as **prohibiting contractors from receiving a cost advantage in a competition due to inferior health benefits and by providing the same legal standing** before the Government Accountability Office (GAO) and the Court of Federal Claims **for appeals purposes.**

Finally, **Congress must repeal the IRS' authority to contract out tax collection.** This work is inherently governmental and could be done more cost efficiently by federal employees. There is no reason to pay private collection agencies a 25% bounty to do this work.

NTEU asks Members of Congress to support these competitive sourcing provisions when they are offered as committee or floor amendments and to cosponsor HR 695 introduced by Rep. Chris Van Hollen (D-MD) and S. 335 introduced by Sen. Byron Dorgan (D-ND) to prevent IRS from using private collection agencies to collect federal taxes.



National Treasury Employees Union

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DHS PERSONNEL ISSUES

FULL COLLECTIVE BARGAINING AND CIVIL SERVICE RIGHTS FOR ALL DHS EMPLOYEES

The courts have thrown out Department of Homeland Security (DHS) regulations that relied on provisions in the Homeland Security Act of 2002 (HSA) that allowed limits on collective bargaining. Similar DHS efforts to promulgate regulations based on the HSA that would make the pay system less fair and objective and more open to abuse have faltered, but are continuing. NTEU believes these provisions of the HSA should be repealed. In addition, screeners in the Transportation Security Administration should be afforded the same collective bargaining rights as other DHS employees as provided for in H.R. 1 and S. 4.

ONE FACE AT THE BORDER INITIATIVE

In 2003, the Department of Homeland Security (DHS) created a new Customs and Border Protection Officer (CBPO) position and announced the "One Face at the Border" initiative that purportedly unifies the inspection process for travelers entering the United States. **Consolidating immigration, customs and agriculture inspection functions has caused logistical and institutional weakness and is leading to a loss of expertise in critical homeland security priorities.** This initiative should be ended and sufficient staffing should be provided to maintain expertise and ensure security at the nation's 317 ports of entry.

LAW ENFORCEMENT OFFICER STATUS

Unlike nearly all other federal law enforcement officers, including Capitol Hill Police, Customs and Border Protection Officers are not considered law enforcement officers for retirement benefits purposes, despite being armed and fully trained to handle dangerous situations. **NTEU strongly supports H.R. 1073**, introduced by Representatives Bob Filner (D-CA) and John McHugh (R-NY), a bipartisan bill that gives CBPOs law enforcement status.

NTEU urges:

- **repeal of the Homeland Security Act's personnel management provisions**
- **support for TSA collective bargaining rights**
- **ending the One Face at the Border initiative**
- **increasing staff at the U.S. ports of entry**
- **cosponsorship of H.R. 1073, the Law Enforcement Officers Equity Act**

Congress of the United States
Washington, DC 20515

Cosponsor the Law Enforcement Officers Equity Act

February 13, 2007

Dear Colleague:

We invite you to co-sponsor our bill, "The Law Enforcement Officers Equity Act." During the 109th Congress, this bill had bipartisan support from 161 members. The purpose of this bill is simply to give law enforcement status to all federal law enforcement officers!

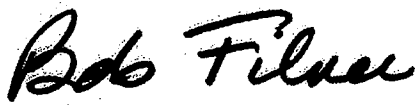
Many federal officials--for example, the Border Patrol--are classified as "law enforcement officers," for the purposes of determining salary and retirement benefits. But many other officers--such as Customs and Border Protection (CBP) Officers, Immigration and Customs Enforcement (ICE) Inspectors, Veterans' Affairs Police Officers, U.S. Mint Police Officers, Internal Revenue Officers, and police officers in about two dozen other agencies--do not have equal pay and benefits status.

The tragic irony is that the only time these federal officers are classified as "law enforcement officers" is when they are killed in the line of duty--and then their names are inscribed on the wall of the National Law Enforcement Officers Memorial.

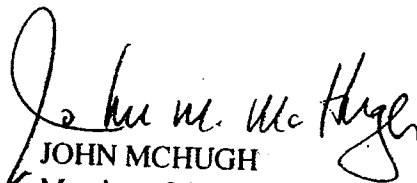
The simple fact is that these officers have dangerous jobs and deserve to be recognized as "law enforcement officers"--just like others with whom they serve side-by-side. We hope that you will join us as a co-sponsor of "The Law Enforcement Officers Equity Act." These valiant officers who protect us deserve no less.

Please contact Sharon Wagener (Rep. Filner) 5-8045 or Joe Scolavino (Rep. McHugh) 5-4611 with any questions or to co-sponsor.

Sincerely,



BOB FILNER
Member of Congress



JOHN MCHUGH
Member of Congress

109th Congress cosponsors: Abercrombie, Ackerman, Allen, Andrews, Baca, Baird, Baldwin, Barrow, Becerra, Biggert, S. Bishop, T. Bishop, Blumenauer, Boehlert, Boucher, Boyd, Brown, Capuano, Cardin, Carson, Chandler, Christensen, Cleaver, Conyers, Costello, Cramer, Crowley, Cuellar, Cummings, D. Davis, J. Davis, S. Davis, Diaz-Balart, Dingell, Doggett, Doyle, Drake, Emanuel, Engel, Eshoo, Etheridge, Farr, Ferguson, Fitzpatrick, Ford, Frank, Gonzalez, Goode, Gordon, A. Green, G. Green, Grijalva Gutierrez, Harman, Hastings, Hefley, Herseeth, Higgins, Hinchey, Hinojosa, Holden, Holt, Honda, Hostettler, Hoyer, Inslee, Israel, Jackson-Lee, E. B. Johnson, S. Kelly, Kildee, Kilpatrick, King, Kucinich, LaHood, Lantos, Larsen, Lee, Levin, J. Lewis, R. Lewis, Lipinski, LoBiondo, Lofgren, Lowey, Lynch, Maloney, Markey, McCarthy, McCotter, McDermott, McGovern, McHugh, McIntyre, McNulty, Mechan, Meek, Meeks, Menendez, Michaud, Millender-McDonald, C. Miller, D. Moore, Moran, Murphy, Nadler, Napolitano, Ney, Norton, Oberstar, Olver, Ortiz, Owens, Pallone, Pascrell, Pastor, Payne, C. Peterson, Platts, Price, Rahall, Rangel, Reichert, Reyes, Rothman, Roybal-Allard, Ruppersberger, Rush, T. Ryan, L. Sanchez, Sanders, Saxton, Schakowsky, Schiff, Serrano, Shays, Simmons, Slaughter, A. Smith, C. Smith, Solis, Strickland, Stupak, Sweeney, Tauscher, B. Thompson, Tierney, M. Udall, T. Udall, Van Hollen, Walsh, Wasserman Schultz, Watt, Weiner, Weldon, Wexler, Wolf, Woolsey, Wynn.