

December 2, 2005

**MEMORANDUM**

TO: Chapter Presidents and Legislative Coordinators

RE: President Signed FY '06 Transportation-Treasury Appropriations Bill

**SUMMARY: Yesterday, the President signed H.R. 3058, the FY '06 Transportation, Treasury, and HUD Appropriations bill with NTEU-supported provisions included in the bill.**

Despite the administration's threats of a veto because of the contracting out language, the President signed H.R. 3058, the FY '06 Transportation-Treasury Appropriations Bill with the following NTEU-supported provisions:

- a 3.1% pay raise for January 2006 (this is the same pay raise that has been recommended for the military); it will apply to wage grade as well as GS employees and covers DoD and DHS, as well as all other federal agencies;
- language that temporarily prohibits the closing of Taxpayer Assistance Centers and call sites or any modifications to taxpayer services until Congress receives and reviews an in-depth analysis from TIGTA; and
- prevents direct conversions of more than 10 positions, modifies OMB's A-76 Circular to allow federal employees to offer their own best bids through an MEO and requires contractors to save the agency at least 10% of what it costs the MEO to perform the activity or \$10 million. The bill also would allow an agency to compete an activity that is currently being performed by a contractor.

I have attached a copy of a press release calling on President Bush to issue an expeditious executive order on locality pay so that the 2006 pay raise may be implemented on time.

Please share this information with your members and nonmembers. These legislative successes could not have been achieved were it not for the diligent work of NTEU's legislative staff and the follow-up work of NTEU's members.

Colleen M. Kelley  
National President

Attachment



# **NEWS RELEASE**

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**For Immediate Release  
December 1, 2005**

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## **Kelley Calls On White House to Promptly Issue Executive Order Needed to Implement 2006 Pay Raise**

**Washington, D.C.**—The head of the National Treasury Employees Union (NTEU) today called on the White House to issue, without delay, the necessary executive order to implement the 3.1 percent pay raise federal civilian workers won for 2006.

Even though the raise for federal employees was approved by both the House and Senate in the fiscal 2006 Transportation-Treasury Appropriations bill—and signed into law by President Bush—it cannot be implemented until the president issues an executive order detailing the amount of the raise to be allocated to locality pay.

NTEU President Colleen M. Kelley emphasized the element of fairness inherent in the prompt issuance of the necessary executive order. Such an action “would send not only an important message to federal workers about the value of their efforts on behalf of the American people,” she said, “it would send the right message.”

In two of the past three years, a delay in final action on the federal employees’ pay raise resulted in a split pay increase in stages; some federal workers, in fact, did not get the full amount of the raise authorized by Congress until mid-year. No such delay occurred on the 2005 pay raise.

**(MORE)**

## **Kelley Seeks Pay Raise Executive Order—Add One**

The 3.1 percent civilian pay raise matches that proposed in the administration's budget for members of the military in 2006. It exceeds the 2.3 percent initially sought by the White House for civilian federal workers. NTEU strongly supported the higher raise for both sets of federal employees.

A bipartisan 1990 law, the Federal Employees Pay Comparability Act (FEPCA), sets out a system of locality pay to reflect regional cost differentials. From time to time, the scope of federal pay areas is adjusted to reflect the growth or loss of federal workers in a given geographic region.

Those workers not in a specifically-designated locality pay area fall under a category known as "Rest of the U.S.," for which the locality element of the pay raise is the same.

In the past, presidents have set aside one percentage point of the raise determined by Congress as locality pay. Along with establishing the locality pay concept, FEPCA initially was intended to close the gap, in stages over ten years, between private and public sector pay.

The law has not been implemented as intended, however—each year since its inception the raise has been less than that needed to close the designated segment of the gap for that year—and there remains a substantial difference in pay in favor of private sector workers.

NTEU is the largest independent federal union, representing some 150,000 employees in 30 agencies and departments.