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## **NTEU Leader Applauds 3.1 Percent Pay Raise, Contracting Language**

**Washington, D.C.**—The leader of the nation’s largest independent union of federal workers today welcomed action by a House-Senate conference committee to provide a 3.1 percent pay increase to federal civilian employees in 2006, as well as approve important and common-sense provisions addressing the need for fairness in the contracting out of federal jobs.

The action on pay is “welcome news,” said President Colleen M. Kelley of the National Treasury Employees Union (NTEU). NTEU had strongly advocated for the 3.1 percent increase which comes despite stiff opposition from the White House and a last-minute effort by a group of Republican senators to freeze the pay of federal workers.

“A strong, bipartisan majority of Congress understands the importance of a fair pay raise,” Kelley said, “and I remain mystified that the administration continues to fight efforts to fairly pay these public employees. With all the vital work the government undertakes every day it only makes sense to provide a fair wage to the people responsible for performing that work.”

The pay increase is contained in the Transportation-Treasury Appropriations bill which also includes NTEU-supported language on contracting out that will change the rules federal employees are currently forced to operate under.

**(MORE)**

## **Kelley on Appropriations Conference Decisions--Add One**

In language offered by Sen. Kit Bond (R-MO) and Sen. Barbara Mikulski (D-MD), federal agencies would now be required to give federal employees a chance to compete for their jobs through an in-house team known as the Most Efficient Organization (MEO).

The Bond-Mikulski language also requires savings of at least 10 percent of what it would cost the MEO to do the work, or \$10 million, before the function can be contracted out; prevents the direct conversion of functions involving more than 10 positions; and allows an agency to compete an activity being performed by a private contractor. President Kelley called its inclusion in the conference report “very good news” for both federal workers and the nation.

This language would force a change to the Office of Management and Budget’s (OMB) Circular A-76, which governs the contracting out processes for federal agencies.

“This measure is an important step in bringing fairness and accountability to the contracting out of federal work,” said Kelley. “NTEU firmly believes that federal employees are the best value for the taxpayers’ dollars and they deserve a fair and level playing field on which to demonstrate their efficiency and effectiveness to the American people.”

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