



May 8, 2018

The Honorable Mac Thornberry  
Chair, House Armed Services Committee  
United States House of Representatives  
Washington, DC 20515

The Honorable Adam Smith  
Ranking Member, House Armed Services Committee  
United States House of Representatives  
Washington, DC 20515

As the Committee considers the Fiscal Year 2019 National Defense Authorization Act, please see below for NTEU's comments on the following provisions and language:

**NTEU OPPOSES Section 1107**, which would expand the number of personnel demonstration projects presently allowed to operate outside of the General Schedule, which covers most of the federal workforce, without additional discussion and further consideration. In the past, alternative personnel systems have resulted in a lack of compensation transparency, significant expenditures of agency funds for program implementation, disparate treatment of employees regarding performance, ratings, and rewards, and have negatively impacted employee morale. In fact, Congress and the courts acted to eliminate prior alternative personnel systems, including the termination of the MaxHR system at the Department of Homeland Security and the National Security Personnel System at the Department of Defense. NTEU believes additional information is needed including the current number, length, and status of existing personnel demonstration projects prior to Congress establishing the authority for additional projects.

**NTEU OPPOSES Section 1109**, which would allow agencies to extend competitive service term and temporary appointments for substantially longer than what is currently allowed under regulation, which heightens the danger of agencies relying even more heavily on these short-term appointments, resulting in a lack of institutional knowledge. Furthermore, these appointments, coupled with the ability of agencies to provide recurring short extensions, deprive individuals of any type of job security and benefits

that they deserve. As an employer, the federal government should not be expanding its use of limited employment opportunities that provide no benefits, with no career advancement possibilities, including no standing when an individual in one of these appointments applies for a full-time position. Agencies currently have significant flexibility in bringing on temps (2 years) and terms (4 years), and in many cases are known to blatantly abuse these hiring authorities, with some individuals serving for years and years rotating from one temporary position to another with no job security and no proper access to benefit programs. The section also allows agency heads to noncompetitively fill a position in the competitive service, without public notice, for no more than 18 months when there is a "critical hiring need." This term is undefined and the provision does not require regulations to be implemented, likely resulting in the term being broadly interpreted by agencies, leading to hiring abuses and lack of uniformity. Moreover, disregarding public notice requirements will risk merit-based hiring decisions.

**NTEU would OPPOSE the inclusion of language in the underlying bill to slash federal employee retirement benefits.** Such proposals include changes to the retirement system that would result in more than a 6 percent pay cut for every federal employee, drastically affecting take-home pay, and leading to a large, disruptive exodus of talent. Further, the supplemental payments that allow employees such as law enforcement officers who are required to retire early would be immediately eliminated, and the current formula for calculating pensions would be altered in a manner to reduce pensions, forcing employees to work longer than planned. These proposals would also take away inflation protection from current retirees, threatening their income security. It is important to recognize that the average FERS monthly pension is a modest \$1,100. Federal employees are middle class workers who can ill afford a 6 to 7 percent take-home pay cut, during a time that a formal pay freeze has already been proposed by the Administration. Creation of the fully-funded FERS system was a two-year Congressional endeavor with studies, hearings, and negotiations prior to Members of Congress voting on any legislation.

Thank you for considering the views of the 150,000 federal employees represented by NTEU, who work at 32 different federal agencies, and who reside in all fifty states.

Sincerely,

A handwritten signature in black ink that reads "Anthony M. Reardon". The signature is written in a cursive style with a large, sweeping initial 'A'.

Anthony M. Reardon  
National President