



**INTERNATIONAL
BROTHERHOOD
OF ELECTRICAL
WORKERS®**

900 Seventh Street, NW
Washington, DC 20001
202.833.7000
www.ibew.org

KENNETH W. COOPER
International President

PAUL A. NOBLE
International
Secretary-Treasurer

December 10, 2024

VIA EMAIL

Ms. Ana M. Paunoiu
Human Resources Management
U.S. Office of Personnel Management
1900 E Street NW
Washington, DC 20415

**Re: IBEW Comments on Prevailing Rate Systems; Change in
Criteria for Defining Appropriated Fund Federal Wage System
Wage Areas (OPM-2024-0016; RIN 3206-AO69)**

Dear Ms. Paunoiu:

On behalf of the 838,000 active and retired members of the International Brotherhood of Electrical Workers (IBEW), I am writing to strongly support the Office of Personnel Management's (OPM) proposed rule change regarding Federal Wage System (FWS) wage areas. The IBEW firmly believes that federal wage scale adjustments should be made to provide pay equity across FWS and General Schedule (GS) pay scales.

FWS employees' wages are determined by comparing pay rates of private sector jobs to similar federal positions within the same area. The Department of Defense (DOD), in coordination with local labor union representatives, conducts wage surveys, alternating between in-person and phone surveys every other year. Survey teams, comprising agency staff and union reps, gather data from local businesses, whose participation is voluntary. The collected data is analyzed by DOD experts to assess how federal wages compare to local private sector rates. After analysis, wage schedules are established and approved by service branches with labor input. Federal pay adjustments must align with local prevailing rates as originally intended under the Prevailing Rate Systems Act of 1972, Pub. L. No. 92-392, 86 Stat. 564.

The IBEW agrees with OPM that "the interactions of GS and FWS statutory pay provisions have worked to create inequitable, unintended discrepancies in pay between similarly situated employees," particularly those in blue-collar positions. Prevailing Rate Systems; Change in Criteria for Defining Appropriated Fund Federal Wage System Wage Areas, 89 Fed. Reg. 82,874, 82,877 (Oct. 11, 2024) (to be codified at 5 C.F.R. pt. 532). Misaligned wage areas disadvantage FWS employees, who often earn significantly less than private-sector counterparts and GS colleagues working in the same geographical areas. This inconsistency has compounded economic disparities over decades. The



**INTERNATIONAL
BROTHERHOOD
OF ELECTRICAL
WORKERS®**

Ms. Ana Paunoiu
December 10, 2024
Page 2

IBEW applauds OPM's efforts in the proposed rule to align FWS and GS wage areas so that employees at the same installations, living in the same geographical areas, are not subject to differing economic regions for wage determinations. Once finalized, the proposed rule should be implemented immediately, consistent with OPM's past practice.

The IBEW further agrees that "maintaining the status quo would not resolve employee equity concerns." 89 Fed. Reg. at 82,899. Key challenges faced by the FWS include recruitment and retention difficulties, low morale, inequities in pay adjustments between FWS and GS employees, and federal wages falling below local prevailing rates. These issues are exacerbated by an outdated wage survey process, inconsistent training, and voluntary private-sector participation, which often excludes high-skill employers, leading to inaccurate comparisons and undervaluation of federal employees' expertise.

Recruitment, retention, and relocation incentives, including temporary Special Pay Rates (SPRs), are stopgap measures that fail to resolve systemic inequities, leaving many FWS workers in economic distress and undermining long-term workforce stability. SPRs, for instance, address only specific trades with demonstrable recruitment and retention issues, leaving many other FWS employees in the same wage areas economically disadvantaged. For example, at the Portsmouth Naval Shipyard, an 8% pay increase was granted solely to trades facing these challenges, while other workers remained below prevailing local wage rates. Similarly, at Norfolk Naval Shipyard, the Tidewater Metal Trades Council's advocacy led to an 18% increase, but the inequities persist across the system. The ongoing request for an SPR at Puget Sound Naval Shipyard underscores the slow and inconsistent nature of this process. These measures serve as stopgaps rather than systemic solutions, highlighting the failure of the FWS to operate as originally legislated.

The reliance on SPRs and other incentives exposes deeper flaws within the FWS. By focusing only on hiring for trades with immediate recruitment challenges, these measures fail to address broader wage inequities that undermine employee morale and retention. The cyclical nature of SPRs—where rates can be rescinded once staffing levels stabilize—only perpetuates the underlying problem of FWS pay lagging behind local prevailing rates. Additionally, these short-term fixes often come too late, as many skilled tradespeople leave for private sector opportunities, taking their expertise with them and further weakening the workforce. If the FWS were administered in line with the Prevailing Rate Systems Act of 1972, which aimed to ensure fair pay to attract and retain qualified workers, these reactive measures would be largely unnecessary. Recruitment



**INTERNATIONAL
BROTHERHOOD
OF ELECTRICAL
WORKERS®**

Ms. Ana Paunoiu
December 10, 2024
Page 3

bonuses and other incentives have been utilized but remain insufficient substitutes for the systemic reform needed to restore fairness and functionality to the FWS.

The Federal Prevailing Rate Advisory Committee (FPRAC) has recommended that OPM seek the elimination of the congressional FWS pay cap provision, imposed each year since FY 1979. The IBEW strongly agrees. The pay cap provision is fundamentally inequitable. GS employees receive locality pay in addition to their annual adjustments, while FWS employees' pay adjustments are divorced from local prevailing rates, leaving most to earn below their local wage area benchmarks. This disparity creates widening economic and morale gaps between FWS and both private sector and GS employees, which must be urgently addressed to restore fairness.

The FWS also continues to face resource constraints that hinder effective data collection efforts, issues with the private sector wage data used in surveys, and inadequacies in survey job descriptions when comparing federal and private sector positions. Though the IBEW supports OPM's rulemaking, the proposed rule would not resolve these challenges, which complicate efforts to ensure equitable and accurate wage determinations. The voluntary nature of private-sector participation in local wage surveys particularly complicates these efforts, as many higher-skilled employers and federal contractors choose not to participate. This lack of representation for highly skilled, technically sophisticated federal jobs leads to a reliance on data from lesser-skilled positions, resulting in skewed assessments and misinterpretation of skill complexities. Consequently, the prevailing wage rates established through these surveys fail to accurately reflect the true conditions of local labor markets, instead representing only a subset of volunteering companies and their skewed data. Additionally, the congressional pay cap has diminished the relevance of DOD wage surveys, which now serve only an informational purpose and no longer influence annual FWS pay adjustments. These issues underscore the critical need for reforms to restore the FWS to its intended function and to ensure fair and equitable compensation for federal employees.

Meeting with local union representatives at the selected DOD installations would be an effective way to obtain FWS employee perspectives on recruitment and retention issues related to the challenges in administering the FWS. Local union representatives have direct knowledge of how these challenges impact employees at their specific locations and can provide detailed, specific insights into the implementation and effects of policies, such as the DOD wage survey process. For instance, IBEW Local 1186, an affiliate of the Hawaii Metal Trades Council, would likely be well-equipped to articulate the concerns and experiences



**INTERNATIONAL
BROTHERHOOD
OF ELECTRICAL
WORKERS®**

Ms. Ana Paunoiu
December 10, 2024
Page 4

of both appropriated and non-appropriated fund FWS employees at Joint Base Pearl Harbor Hickam. Engaging with these representatives ensures that the voices of those directly affected by FWS policies are heard and considered.

In conclusion, the IBEW strongly supports OPM's proposed alignment of FWS and GS wage areas. But to more fully address the challenges faced by the FWS and improve the DOD wage survey process, more must be done. First, removing the congressional pay cap or implementing a new baseline using the unrestricted rate for FWS wages would ensure fair compensation and wage parity between FWS and GS employees, including the addition of locality pay for FWS employees. Expanding the wage survey search for highly skilled federal jobs to include companies beyond the local wage area would further help to ensure accurate wage comparisons. Additionally, compelling federal contractors to fully participate in local wage surveys and enhancing DOD wage survey training for union representatives would improve data collection accuracy. Strengthening labor/management partnerships at the local level will ensure smoother wage survey processes and foster better collaboration. These changes are critical to ensuring fair compensation, improving morale, and maintaining a skilled federal workforce essential to national security.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Kenneth W. Cooper".

Kenneth W. Cooper
International President

KWC:mea