

ADJUSTMENTS TO UPPER LIMITS OF PAY BANDS

March 16, 2005

Dear Mr. Bunn,

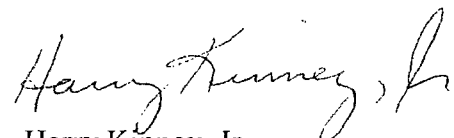
I would like to offer the following comments and recommendation on the subject of adjustments to upper limits of pay bands:

It is my understanding that the upper limits of pay bands will not necessarily be adjusted annually and that they may even decline if a "market survey" indicates it is appropriate. If this is correct, it is likely to represent a major flaw in the NSPS. As experienced individuals reach the upper limits of their pay bands, management will be unable to reward them with pay raises unless a market survey is conducted and can be used to increase the pay band limits. One time awards are poor substitutes for pay raises because they: 1) don't provide a permanent base pay increase while the worker remains in active service and 2) don't get included in the retirement pay calculation.

The Federal Government has been warned over the last few years that many experienced and valuable employees are nearing retirement age and that there could be a significant "brain and talent" drain if the majority of these employees elect to retire as soon as they are eligible. If these retirement eligible employees are also at the upper limits of their pay bands, then management will have less ability to reward good performers and motivate them to stay onboard if the pay bands aren't adjusted upward annually.

I believe that NSPS must have an annual increase in pay band limits, determined perhaps in a manner like the current Federal civilian pay raise approval process. Following the general NSPS evaluation process, an annual increase in pay band limits wouldn't automatically be passed to everyone at the upper limit of their pay bands. But it would allow management to give pay raises to their valuable, experienced workers when their performance warrants it.

Thank you for your consideration of this matter.



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