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27 February 1985

MEMORANDUM FOR: See Distribution

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VIA: Acting Chief, Liaison Division, OLL

FROM:
Liaison Division, OLL

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SUBJECT: House "Hearing" on Administration's Proposed
FY 86 Budget Cuts to Federal Employee
Benefits

1. On 26 February 1985, Congresswoman Mary Rose Oakar (D., OH), chaired a "hearing" on the Administration's proposed FY 1986 Budget cuts to Federal employee benefits. Oakar is Chairwoman of the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee. The other Committee Members who attended are Mervyn M. Dymally (D., CA), John T. Myers (R., IN), Dan Young (R., AL), and William D. Ford (D., MI), Committee Chairman. (This "hearing" was referred to as a briefing for Members because the Committee has not yet met to ratify its rules and subcommittee assignments).

2. The purpose for this "hearing" was to collect information that will support the Committee's recommendations to the Budget Committee vis-a-vis the Administration's proposals. The Committee will most likely reject all of the proposals, much to the approval of the standing-room only crowd of Federal union groups.

3. Attached hereto is the list of witnesses and the formal comments of several who testified. Copies of the full proceedings will be distributed when available. There were no surprises during the hearing. The Administration's position, defended by Dr. Donald J. Devine, Director, Office of Personnel Management, remains firm on all cuts proposed and there are now no signs of compromise.

4. In her opening comments (attached hereto), Oakar cited drug enforcement agents, foreign service officers, letter carriers, meat & poultry inspectors, NIH employees,

social security administrators, and Federal retirees as loyal and hard workers who were being abused by the Administration.

5. John Myers, speaking for the minority, stated that he shared the concern of the majority, was interested in cooperation, and cited "quick fixes" and the unweildy budget process as the causes behind the roller coaster treatment of Federal benefits. Traditionally, this Committee has maintained a bi-partisan pro-Federal employee orientation and this statement signals that this will continue during the 99th Congress. In fact, the majority staff expressed surprise that the Republicans on the Committee have been so vocal in their opposition to the Administration's proposals.

6. In response to questions about retirement, Dr. Devine alluded to a supplement plan that OPM is drafting. He did not give any details, but suggested that the plan would involve portable benefits, such as Social Security plus some form of employee savings; it would not include the employer-provided pension.

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Attachment:
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House of Representatives

Committee on Post Office and Civil Service

Washington, D.C. 20515

TELEPHONE (202) 225-4054

BRIEFING OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
ON THE FISCAL YEAR 1986 BUDGET PROPOSALS
TUESDAY, FEBRUARY 26, 1985

LIST OF WITNESSES

1. The Honorable Michael D. Barnes (D-MD)
Member of Congress
2. The Honorable Vic Fazio (D-CA)
Member of Congress
3. The Honorable Stan Parris (R-VA)
Member of Congress
4. Dr. Donald J. Devine, Director
Office of Personnel Management
5. Mr. Martin L. Duggan, Chair
Advisory Committee on Federal Pay

accompanied by

Ms. Lucretia Tanner, Executive Director
Advisory Committee on Federal Pay
5. Mr. George Stelluto, Associate Commissioner
Office of Wages & Industrial Relations
Bureau of Labor Statistics
Department of Labor

accompanied by

Mr. Charles O'Connor, Division Chief
Division of Occupational Pay and Employee Benefit
Levels
Bureau of Labor Statistics
Department of Labor

7. Mr. Kenneth Blaylock, President
American Federation of Government Employees, AFL-CIO
8. Mr. L.J. Andolsek, President
National Association of Retired Federal Employees

 accompanied by

 Ms. Judy Park, Legislative Director
 National Association of Retired Federal Employees and

 Mr. Tom Trabucco, Associate Legislative Director
 National Association of Retired Federal Employees
9. Panel: Mr. Moe Biller, President
 American Postal Workers Union, AFL-CIO

 accompanied by

 Mr. Patrick J. Nilan, Legislative Director
 American Postal Workers Union, AFL-CIO and

 Mr. Roy Braunstein, Legislative Aide
 American Postal Workers Union, AFL-CIO

 Mr. Vincent Sombrotto, President
 National Association of Letter Carriers, AFL-CIO

 accompanied by

 Mr. George Gould, Legislative Director
 National Association of Letter Carriers,
 AFL-CIO
10. Panel: Mr. Thomas P. Costin, President
 National Association of Postmasters
 of the United States

 Mr. R. Fain Hambricht, President
 National League of Postmasters

 accompanied by

 Mr. Ed Bowley, Legislative Consultant
 National League of Postmasters

 Mr. Reuben Handelman, Executive Vice
 President
 National Association of Postal Supervisors

 accompanied by

 Mr. Andrew Ruddick
 (Retired) Consultant

Mr. Robert L. White, President
National Alliance of Postal and Federal
Employees

11. Panel: Mr. Bun B. Bray, Executive Director
Federal Managers Association

accompanied by

Mr. Red Evans, Assistant Executive Director
Federal Managers Association

Mr. David Gusky, Legislative Director
National Federation of Federal Employees

Mr. Ed Murphy, Legislative Counsel
National Association of Government Employees
AFL-CIO

Mr. Lary D. Silver, President
National Association of Agricultural Stabilization
and Conservation Service, United States
Department of Agriculture, County Office
Employees

12. Panel: The Honorable John N. Erlenborn (R-IL)
Former Member of Congress

Mr. Robert Mueller
National Taxpayers Union

Mr. G. Jerry Shaw, President
Senior Executives Association

Mr. Paul Newton, Legislative Director
National Treasury Employees Union