



AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

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Defense Business Board
Task Group on NSPS
2521 S. Clark Street, Room 650
Arlington, VA 22202

Dear Task Group Members:

AFGE appreciates the efforts of the Defense Business Board (DBB) Task Group on NSPS. We believe that you got the diagnosis right; you found NSPS to be a sick system with nothing positive and a great many things negative about it. The vast majority of employees under NSPS do not like it. You got the diagnosis right but you are way off on the cure.

To say that we are perplexed, angered and frustrated by the Task Group's abbreviated findings and recommendations is an understatement. The recommendation to keep NSPS is illogical and does not flow from your findings. The Task Group has miscalculated the intensity of hatred toward this system and its name – "NSPS." The Task Group found the system was so flawed that it can't be fixed and has to be reconstituted from scratch. We wonder why DoD isn't holding those responsible for NSPS accountable and terminating them for this colossal failure. Instead, the Task Group asks them to try again, while the employees continue to suffer and many good employees lose money. Having any piece of this system in place is damaging to the mission, if for no other reason than because of the chaos that will continue in the workforce. Although we appreciate the recommendation to keep union represented employees outside of NSPS, we must continue to pursue the permanent end of NSPS for the sake of the other employees and good government.

Here are some of the serious concerns we have – I would be happy to provide more details in writing or to meet with you to discuss the following:

- 1) The Task Group found that the system was so flawed that it couldn't just be "fixed."
- 2) Rather than calling for termination of such a seriously flawed system, the Task Group recommended instead that it be "reconstructed" from "scratch."
- 3) The Task Group's recommendation that DoD "collaborate" with employees and unions was an unintended insult. The original


law required collaboration from the onset, but DoD leaders and staff were dismissive and arrogant.

- 4) The Task Group found that NSPS is too complex and lacks transparency, which is a fundamental violation of the law.
- 5) The Task Group found that the trust between employees and supervisors had been broken by NSPS.
- 6) In discussing the replacement of the GS classification system, the Task Group went beyond its charter to examine NSPS.
- 7) The Task Group's recommendation to keep NSPS for some employees and to develop a DoD pay for performance system for GS employees seems in conflict with the OPM Director's efforts to have a single government-wide system.
- 8) A new study by AFGE of DOD's data provides evidence that there is significant, illegal discrimination throughout NSPS. I have attached a summary of those findings. We hope this evidence on top of the Task Group's original findings will cause it to adjust the recommendations and call for outright termination of NSPS.
- 9) DoD's own May 2009 internal evaluation found that as a group, employees making less than \$60,000 had a net loss under NSPS, while those making more, especially those over \$80,000, had a net gain. Those making the least are funding the raises of those making the most. We believe this is intentional and very wrong.
- 10) DoD's evaluation also found that the average rating goes up as the salary level goes up, bearing out the claim by many managers that the highest ratings are reserved for those closer to the Pentagon, considered to be doing "important work."
- 11) There is no doubt that the system is built on forced distributions of the ratings and the money.
- 12) The NSPS Performance Management System is overly complicated, not trusted by employees, and no better than other federal sector systems in accurately evaluating performance. It certainly is no reason to retain NSPS.
- 13) Several DBB Members expressed concerns that a system like NSPS is not appropriate across the board for all employees.

- 14) The Government Accountability Office (GAO) found that the longer employees are under NSPS, the more they dislike it. This contrasts with the claim we hear from some with a stake in the system that employees just need time to get used to NSPS.
- 15) We appreciate the apparent intent by the Task Force to permanently exclude bargaining unit employees from NSPS. The final DBB report should call for the immediate conversion back to the GS system of current bargaining unit employees under NSPS. In addition, if NSPS remains, any NSPS employees who organize and become part of a bargaining unit in the future should be converted out of NSPS. In both cases, there should be no loss of money to employees.
- 16) With the overwhelming evidence of its failure, there is no justification to keep NSPS.

Employees should not be held hostage or made to suffer one day longer. NSPS should be terminated. Even members of the DBB at the July 16th meeting seemed to seriously question the wisdom of a pay for performance system for any group but high level executives. The evidence of complete failure and serious injustice to many loyal hard working DOD employees is overwhelming. It leads to no other conclusion than termination.

Sincerely,



John Gage, President
American Federation of Government Employees

Enclosure

CC: William Lynn, Deputy Secretary of Defense
John Berry, Director, Office of Personnel Management