The original documents are located in Box 29, folder “8/9/75 HR2559 Postal Service Occupational Safety and Health Pay Adjustments for Government Officials” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

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MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

SUBJECT: H.R. 2559 - Postal Service Occupational Safety and Health; Pay Adjustments for Government Officials

Background

This bill requires the Postal Service to comply with the Occupational Safety and Health Act and provides for annual cost of living adjustments in the pay of Congressmen and high level officials of the Executive and Judicial Branches. The Postal Service indicates that it is in compliance with OSHA standards and the bill would not add any additional costs to its services. Your Administration has worked with the Congress in the development of the pay aspects of the legislation.

Additional background information is provided in OMB's enrolled bill report at Tab A.

In addition to the agencies polled on this legislation, OMB, Bill Seidman, Counsel's Office (Lazarus), Max Friedersdorf and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 2559 at Tab B.
MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 2559 - Postal Service
occupational safety and health; pay
adjustments for Government officials
Sponsor - Charles H. Wilson (D) California

Last Day for Action
August 13, 1975 - Wednesday

Purpose
Requires the Postal Service to comply with the Occupational
Safety and Health Act; provides for annual comparability
adjustments in the pay of Congressmen and high level officials
and employees of the executive and judicial branches.

Agency Recommendations
Office of Management and Budget Approval
Civil Service Commission Approval (Signing
statement attached)
Department of Defense Approval
Administrative Office of the U.S. Courts Approval
U.S. Postal Service No objection

Discussion
H.R. 2559 as originally introduced dealt only with the
applicability of the Occupational Safety and Health Act (OSHA)
of 1970 to the Postal Service, which is Title I of the enrolled
bill. The Senate Committee on Post Office and Civil Service,
in reporting H.R. 2559, added a separate Title II, providing
for annual comparability pay adjustments for top Federal
officials tied to those for the Government's other employees.
As you know, Title II of the enrolled bill reflects the results of discussions among leaders of all three branches of the Government over the past several months aimed at finding a means of breaking the 6-year freeze in executive pay. In your letter of July 26 to the Speaker of the House and the President of the Senate, you urged Congress to enact H.R. 2559 promptly, stating that "this action is essential if we are to recruit and retain qualified and competent senior-level people to conduct our Government's business."

Inevitably, all of the congressional debate on the bill centered around Title II—and particularly the pay adjustments provided for Congress. The Senate passed the bill by a vote of 58-29, but it barely squeaked through in the House, 214-213.

Title I -- Postal Service/OSHA

Section 19 of OSHA requires Federal agencies to maintain comprehensive occupational health and safety programs for their employees. The Act does not explicitly apply to the Postal Service but under its 1973 contract with the national postal unions the Service obligated itself to comply with that requirement of the Act. Title I of H.R. 2559 would simply make this obligation a statutory requirement.

While the Postal Service has maintained that this part of H.R. 2559 is unnecessary, it indicates no objection to enactment.

Title II -- Executive Pay

This Title of the enrolled bill would provide for automatic annual pay adjustments for Supreme Court justices and Federal judges, Members of Congress, the Vice President, Cabinet members, and certain other top officials in the three branches of the Federal Government. It would tie the pay increases of these officials to the comparability adjustments applicable annually to Federal white collar employees. Accordingly, these officials—approximately 785 executive branch officials, 560 Members of Congress and legislative branch officials, and 1,083 judges and judicial branch officials—will receive an amount (rounded to the nearest $100) equal to the overall percentage increase authorized each year for employees paid under the General Schedule and other statutory systems.
The proposed adjustments would take effect at the same time as those for General Schedule employees, which is the beginning of the first applicable pay period commencing on or after October 1 of each year. The amount and effective date of these adjustments can be varied if the President proposes an alternative plan which is not disapproved by either House of Congress.

By providing for an upward adjustment in pay for Level V of the Executive Schedule, which is now at the $36,000 ceiling, the bill would also have the effect of providing a salary increase for the approximately 14,600 senior civil service employees and 600 senior military officers who have been affected by that ceiling.

Title II would leave intact the regular mechanism for review of Executive Level salaries established under the Federal Salary Act of 1967, under which a Presidentially-appointed commission, established quadrennially, makes recommendations to the President for increases. The President's recommendations then are included in the next budget and become law unless either House disapproves them.

In addition, H.R. 2559 would make several other changes in pay law, as follows:

-- include the Vice President, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of both Houses of Congress within the purview of the quadrennial salary review commission.

-- raise the ceiling on pay for employees of the Senate from Level V of the Executive Schedule (currently $36,000) to Level III (currently $40,000);

-- tie the salaries of certain legislative branch officials such as the Comptroller General, the Librarian of Congress, and the Public Printer, to the rates of pay for specific levels of the Executive Schedule, thus allowing them to rise automatically with any future increases in Executive Level salaries. Presently, the compensation for these positions is specified in law at a particular dollar rate.

As you noted in your July 26 letter, the officials and Members of Congress covered by Title II of H.R. 2559 have received no pay adjustment for more than six years. During this period
the cost of living increased by 47.5% and other Federal employees as well as their counterparts in the private sector received regular pay adjustments. Accordingly, the purchasing power of officials subject to the executive pay freeze declined by almost one-third. As a result of the freeze, the Government has been losing many of its most experienced judges and managers and professionals to private industry or to early retirement. Indeed, such employees are retiring early at three times the rate of other employees.

The enrolled bill would not provide a "catch up" increase to compensate for the 6-year hiatus, nor would it solve the problem of compression at the higher career grades that has resulted from the present system. H.R. 2559 does represent a significant first step, however, and further action to solve the problem will be addressed by the Panel on Federal Compensation which you recently established and by the next quadrennial commission.

Cost

The Postal Service indicates that since it is already complying with the provisions of OSHA, Title I of the enrolled bill would not result in additional costs.

Title II costs cannot be estimated precisely since they would depend on the size of the comparability pay adjustment which is scheduled to take effect next October 1. Based on a range from 5% to 8.66%, the annualized cost could range from approximately $31 million to $52 million. Assuming approval, all executive branch agencies would be required to absorb the additional costs without asking for supplemental appropriations for the current fiscal year.

Recommendations

CSCE, in recommending approval, states:

"While the annual Executive Schedule pay adjustments that would be provided by this enrolled bill would not be sufficient to bring the salaries of senior Government officials up to a proper level, these adjustments would at least keep these salaries from falling even farther behind in the future, and would thereby serve to stem the exodus of the Government's best managers and professionals."
We join with CSC and other agencies in recommending approval of H.R. 2559. CSC has indicated that you may wish to issue a signing statement on the bill, and has attached a draft of such a statement to its views letter. However, in view of the adverse reaction particularly to the congressional pay raise, we recommend against a signing statement.

Paul H. O'Neill
Acting Director

Enclosures
Mr. James M. Frey
Assistant Director for Legislative
Reference
Office of Management and Budget
Washington, D. C.

Re: An act to amend title 39, U.S. Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, to provide for cost-of-living adjustments of Federal executive salaries, and for other purposes - H.R. 2559

Attention: Ms. Ramsey, Room 7201 Executive Office Bldg.

Reference is made to your enrolled bill request of August 1, 1975 relating to H.R. 2559. Although the aforementioned bill has not been specifically considered by the Judicial Conference of the United States, it is the view of this office that the legislation carries out the recommendations of the judiciary and, accordingly, Executive approval is recommended.

Sincerely,

William E. Foley
Deputy Director
Dear Mr. Lynn:

This is in response to your request for the views and recommendations of the Civil Service Commission on enrolled bill H. R. 2559, a bill "To amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, to provide for cost-of-living adjustments of Federal executive salaries, and for other purposes."

Title I of enrolled bill H. R. 2559 would amend section 410(b) of title 39, United States Code to bring the United States Postal Service under the provisions of section 19 of the Occupational Safety and Health Act of 1970. We defer to the views of the Postal Service and the Department of Labor on this provision.

Title II of enrolled bill H. R. 2559 would provide for the annual adjustment of the rates of pay of certain top officials in the executive, legislative, and judicial branches of the Federal Government. These adjustments would be by a percentage amount (rounded to the nearest $100) equal to the average percentage adjustment of the rates of pay of the General Schedule under section 5305 of title 5, United States Code. Title II would also raise the ceiling on pay adjustments for employees of the Senate from level V of the Executive Schedule to level III, and would add the salaries of the Vice President, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of the Senate and the House of Representatives to the quadrennial review procedure established by section 225 of Public Law 90-206, the Federal Salary Act of 1967.

The Civil Service Commission strongly supports the purposes of title II, and urges that the President sign enrolled bill H. R. 2559 into law.
While the annual Executive Schedule pay adjustments that would be provided by this enrolled bill would not be sufficient to bring the salaries of senior Government officials up to a proper level, these adjustments would at least keep these salaries from falling even farther behind in the future, and would thereby serve to stem the exodus of the Government's best managers and professionals.

We believe this legislation is of such significance that the President may wish to issue a statement when he signs it into law. We are enclosing a draft statement for this purpose.

By direction of the Commission:

Sincerely yours,

Robert E. Hampton
Chairman

Enclosure
Dear Mr. Frey:

This responds to your request for the views of the Postal Service with respect to the enrolled bill:

H.R. 2559, "To amend title 39, United States Code, to apply to the United Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, to provide for cost-of-living adjustments of Federal executive salaries, and for other purposes."

1. Purpose of Legislation. The primary purpose of this legislation, as it affects the Postal Service, is to make applicable to the Service, by specific reference in title 39 U.S.C., section 19 of the Occupational Safety and Health Act of 1970 (OSHA). In addition, this legislation would increase the maximum salary which the Postal Service is authorized to pay. The last sentence of 39 U.S.C. §1003(a) provides that: "No officer or employee [of the Postal Service] shall be paid compensation at a rate in excess of the rate for level I of the Executive Schedule under section 5312 of title 5." The salary for level I positions is $60,000 at the present time. The Postmaster General is the only officer of the Postal Service presently paid at this level.

2. Position of the Postal Service. Since the Postal Service is already bound to and does comply with OSHA, the Service adheres to the position stated in its letter to Senator McGee, reporting on H.R. 2559, that there is no need for
that aspect of the legislation, but neither does the Postal Service object to it. Additionally, the Postal Service has no objection to the aspect of the legislation which authorizes but does not require the Postal Service to pay higher maximum salaries under 39 U.S.C. §1003 in accordance with salaries set for level I of the Executive Schedule.

3. Timing.

The Postal Service takes no position with regard to the time of signing this legislation.

4. Cost or Savings.

Requiring compliance with section 19 of OSHA will not result in additional costs, since the Postal Service already complies with this law. Authorization to increase maximum salaries will result in relatively insignificant increases in the payroll costs of the Postal Service since its effect on the Postal Service will be limited to permitting modest increases in pay of the Postmaster General and perhaps a few other top officials.


The Postal Service does not object to approval of the bill by the President.

Sincerely,

W. Allen Sanders
Assistant General Counsel
Legislative Division

Mr. James M. Frey
Assistant Director
Legislative Reference
Office of Management
and Budget
Washington, D.C. 20503
Honorable James T. Lynn  
Director, Office of Management  
and Budget  
Washington, D. C. 20503  

Dear Mr. Lynn:

This is in reply to your request for the views of the Department of Defense concerning H.R. 2559, an enrolled enactment.

The purpose of Title I of H.R. 2559 is to impose certain requirements on the Postmaster General so as to insure compliance with the Occupational Safety and Health Act of 1970. The Department of Defense offers no comment with regard to this portion of H.R. 2559.

The purpose of Title II of H.R. 2559 is to provide a minimal salary adjustment for top executive, legislative, and judicial officers and employees of the United States who last received an increase in compensation in March of 1969. By doing so, it would also provide a similar salary adjustment to approximately 600 senior military officers and 14,600 senior civil service employees on the General Schedule who have been affected by the $36,000 ceiling on pay imposed by section 5308 of title 5, United States Code.

The proposed adjustment would be an amount, rounded to the nearest multiple of $100, equal to the adjustment in percentage of pay set forth in the report transmitted to Congress under section 5305 of title 5, United States Code, which pertains to annual adjustments in the rate of pay under the General Schedule. The proposed adjustment would take effect at the beginning of the first month in which the adjustment authorized under section 5305 occurs. Unless altered by an alternative plan proposed by the President, which is not disapproved by either the Senate or House of Representatives, that adjustment would occur as of the beginning of the first applicable pay period commencing on or after October 1 of each year.
While Title II of the bill would not correct the pay gap which has grown since 1969 or the problem of compression which has taken place in the higher reaches of the Government's civilian salary schedules and military pay rates, it would put a stop to the continued growth of the pay gap occasioned by the increased cost of living since March of 1969 and the pay adjustments which have occurred in other segments of the economy over that period of time. It would provide a cost-of-living type of relief to those officials, employees, and military officers whose purchasing power has been eroded by almost a third because of inflation. Accordingly, the Department of Defense strongly favors the enrolled enactment and recommends that the President sign it into law.

Sincerely,

Martin R. Hoffmann
MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 2559 - Postal Service occupational safety and health; pay adjustments for Government officials
Sponsor - Charles H. Wilson (D) California

Last Day for Action
August 13, 1975 - Wednesday

Purpose
Requires the Postal Service to comply with the Occupational Safety and Health Act; provides for annual comparability adjustments in the pay of Congressmen and high level officials and employees of the executive and judicial branches.

Agency Recommendations
Office of Management and Budget Approval
Civil Service Commission Approval (Signing statement attached)
Department of Defense Approval
Administrative Office of the U.S. Courts Approval
U.S. Postal Service No objection

Discussion
H.R. 2559 as originally introduced dealt only with the applicability of the Occupational Safety and Health Act (OSHA) of 1970 to the Postal Service, which is Title I of the enrolled bill. The Senate Committee on Post Office and Civil Service, in reporting H.R. 2559, added a separate Title II, providing for annual comparability pay adjustments for top Federal officials tied to those for the Government's other employees.
As you know, Title II of the enrolled bill reflects the results of discussions among leaders of all three branches of the Government over the past several months aimed at finding a means of breaking the 6-year freeze in executive pay. In your letter of July 26 to the Speaker of the House and the President of the Senate, you urged the Congress to enact H.R. 2559 promptly, stating that "this action is essential if we are to recruit and retain qualified and competent senior-level people to conduct our Government's business."

Inevitably, all of the congressional debate on the bill centered around Title II—and particularly the pay adjustments provided for Congress. The Senate passed the bill by a vote of 58-29, but it barely squeaked through in the House, 214-213.

**Title I -- Postal Service/OSHA**

Section 19 of OSHA requires Federal agencies to maintain comprehensive occupational health and safety programs for their employees. The Act does not explicitly apply to the Postal Service but under its 1973 contract with the national postal unions the Service obligated itself to comply with that requirement of the Act. Title I of H.R. 2559 would simply make this obligation a statutory requirement.

While the Postal Service has maintained that this part of H.R. 2559 is unnecessary, it indicates no objection to enactment.

**Title II -- Executive Pay**

This Title of the enrolled bill would provide for automatic annual pay adjustments for Supreme Court justices and Federal judges, Members of Congress, the Vice President, Cabinet members, and certain other top officials in the three branches of the Federal Government. It would tie the pay increases of these officials to the comparability adjustments applicable annually to Federal white collar employees. Accordingly, these officials—approximately 785 executive branch officials, 560 Members of Congress and legislative branch officials, and 1,083 judges and judicial branch officials—will receive an amount (rounded to the nearest $100) equal to the overall percentage increase authorized each year for employees paid under the General Schedule and other statutory systems.
The proposed adjustments would take effect at the same time as those for General Schedule employees, which is the beginning of the first applicable pay period commencing on or after October 1 of each year. The amount and effective date of these adjustments can be varied if the President proposes an alternative plan which is not disapproved by either House of Congress.

By providing for an upward adjustment in pay for Level V of the Executive Schedule, which is now at the $36,000 ceiling, the bill would also have the effect of providing a salary increase for the approximately 14,600 senior civil service employees and 600 senior military officers who have been affected by that ceiling.

Title II would leave intact the regular mechanism for review of Executive Level salaries established under the Federal Salary Act of 1967, under which a Presidentially-appointed commission, established quadrennially, makes recommendations to the President for increases. The President's recommendations then are included in the next budget and become law unless either House disapproves them.

In addition, H.R. 2559 would make several other changes in pay law, as follows:

-- include the Vice President, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of both Houses of Congress within the purview of the quadrennial salary review commission.

-- raise the ceiling on pay for employees of the Senate from Level V of the Executive Schedule (currently $36,000) to Level III (currently $40,000);

-- tie the salaries of certain legislative branch officials such as the Comptroller General, the Librarian of Congress, and the Public Printer, to the rates of pay for specific levels of the Executive Schedule, thus allowing them to rise automatically with any future increases in Executive Level salaries. Presently, the compensation for these positions is specified in law at a particular dollar rate.

As you noted in your July 26 letter, the officials and Members of Congress covered by Title II of H.R. 2559 have received no pay adjustment for more than six years. During this period
the cost of living increased by 47.5% and other Federal employees as well as their counterparts in the private sector received regular pay adjustments. Accordingly, the purchasing power of officials subject to the executive pay freeze declined by almost one-third. As a result of the freeze, the Government has been losing many of its most experienced judges and managers and professionals to private industry or to early retirement. Indeed, such employees are retiring early at three times the rate of other employees.

The enrolled bill would not provide a "catch up" increase to compensate for the 6-year hiatus, nor would it solve the problem of compression at the higher career grades that has resulted from the present system. H.R. 2559 does represent a significant first step, however, and further action to solve the problem will be addressed by the Panel on Federal Compensation which you recently established and by the next quadrennial commission.

Cost

The Postal Service indicates that since it is already complying with the provisions of OSHA, Title I of the enrolled bill would not result in additional costs.

Title II costs cannot be estimated precisely since they would depend on the size of the comparability pay adjustment which is scheduled to take effect next October 1. Based on a range from 5% to 8.66%, the annualized cost could range from approximately $31 million to $52 million. Assuming approval, all executive branch agencies would be required to absorb the additional costs without asking for supplemental appropriations for the current fiscal year.

Recommendations

CSC, in recommending approval, states:

"While the annual Executive Schedule pay adjustments that would be provided by this enrolled bill would not be sufficient to bring the salaries of senior Government officials up to a proper level, these adjustments would at least keep these salaries from falling even farther behind in the future, and would thereby serve to stem the exodus of the Government's best managers and professionals."
We join with CSC and other agencies in recommending approval of H.R. 2559. CSC has indicated that you may wish to issue a signing statement on the bill, and has attached a draft of such a statement to its views letter. However, in view of the adverse reaction particularly to the congressional pay raise, we recommend against a signing statement.

(signed) Paul H. O'Neill
Paul H. O'Neill
Acting Director

Enclosures
MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON
SUBJECT: H.R. 2559 - Postal Service Occupational Safety and Health; Pay Adjustments for Government Officials

Background
This bill requires the Postal Service to comply with the Occupational Safety and Health Act and provides for annual cost of living adjustments in the pay of Congressmen and high level officials of the Executive and Judicial Branches. The Postal Service indicates that it is in compliance with OSHA standards and the bill would not add any additional costs to its services. Your Administration has worked with the Congress in the development of the pay aspects of the legislation. All of the agencies and advisers polled on this matter approve of your signing this legislation. The Civil Service Commission has indicated that you may wish to issue a signing statement, but Paul O'Neill, Max Friedersdorf and I recommend that you sign the bill without a statement because of the negative public reaction to the Congressional pay raise. Ken Lazarus of the Counsel's Office recommends a modified signing statement, setting forth the joint views of the President and Congress. See enrolled bill for further details. (Tab C)

Decision
1. Sign H.R. 2559 (Tab A)


Approve _______ Disapprove _______
2. Issue signing statement (approved by Paul Theis, Tab B)
   Recommend for: Lazarus, Civil Service Commission
   Recommend against: Cannon, O'Neill, Friedersdorf, Seidman

   Approve _____    Disapprove _____
MEMORANDUM FOR:  JIM CAVANAUGH
FROM:  MAX L. FRIEDRICH
SUBJECT:  H.R. 2559 - Postal Service Occupational Safety and health pay adjustments for government officials

The Office of Legislative Affairs concurs with the agencies that the subject bill be signed and that no signing statement be issued.

Attachments
FOR ACTION: Dick Parsons
Max Friedersdorf
Ken Lazarus
Paul Theis
cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: August 8 Time: 300pm

SUBJECT:

H.R. 2859 - Postal Service Occupational Safety and health pay adjustments for government officials

ACTION REQUESTED:

___ For Necessary Action ___ For Your Recommendations

___ Prepare Agenda and Brief Draft Reply

X ___ For Your Comments Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

May I also have your recommendation as to issuing a signing statement. CSC recommends one, OMB does not.

Please attach this copy to material submitted.

If you have any questions or if you anticipate a delay in submitting the required material, telephone the Staff Secretary immediately.

K.R. Cole, Jr.
For the President
ACTION MEMORANDUM
WASHINGTON

Date: August 8

FOR ACTION: Dick Parsons
Max Friedersdorf
Ken Lazarus
Paul Theis
Bill Sandman

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

Brief Date: August 9

Time: 1130am

SUBJECT:

H.R. 2559 - Postal Service Occupational Safety
and health pay adjustments for government officials

ACTION REQUESTED:

- For Necessary Action
- Prepare Agenda and Brief
- For Your Comments
- Draft Remarks
- For Your Recommendations
- Draft Reply

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

May I also have your recommendation as to issuing a
signing statement. CSC recommends one, OMB does not.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please
telephone the Staff Secretary immediately.

[Signature]
President

[Signature]
Jim Cavanaugh
Assistant to the President
THE WHITE HOUSE
WASHINGTON
August 8, 1975

MEMORANDUM FOR STAFF SECRETARY

FROM: LYNN MAY
SUBJECT: H.R. 2559

Recommend approval of H.R. 2559, but concur with OMB that the signing statement is inadvisable because of the public aversion to an increase in the pay of Congressmen and bureaucrats.

cc: Jim Cavanaugh
ACTION MEMORANDUM

Date: August 8

FOR ACTION: Dick Parsons
Max Friedersdorf
Ken Lazarus
Paul Theis

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: August 8

SUBJECT:

H.R. 2559 - Postal Service Occupational Safety
and health pay adjustments for government officials

ACTION REQUESTED:

- For Necessary Action
- Prepare Agenda and Brief
- For Your Comments
- For Your Recommendations
- Draft Reply
- Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

May I also have your recommendation as to issuing a
signing statement. CSC recommends one, OMB does not.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a
delay in submitting the required material, please...
ACTION MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Date: August 8  Time: 1130am

FOR ACTION: Dick Parsons
Max Friedersdorf
Ken Lazarus
Paul Theis

cc (for information): Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: August 8  Time: 300pm

SUBJECT:

H.R. 2559 - Postal Service Occupational Safety and health pay adjustments for government officials

ACTION REQUESTED:

- For Necessary Action
- Prepare Agenda and Brief
  X For Your Comments
- Draft Remarks
- For Your Recommendations
- Draft Reply

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

May I also have your recommendation as to issuing a signing statement. CSC recommends one, OMB does not.

Recommend approval of the bill and issuing a signing statement. In the event the pay raise becomes a political issue in the future, the President will have the benefit of a statement setting forth his views. I would, however, suggest that the statement be modified slightly to indicate that it sets forth the joint views of the President and the Congress.

KEN LAZARUS 8/8/75

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.
I am today signing into law H. R. 2559, which will tie the salaries of the Government's top officials in with the annual pay comparability adjustments for the Government's other employees.

It has been more than six years since these executive branch officials, judges, and members of Congress got a pay adjustment, and it has become increasingly obvious that the salary levels we have had for these jobs are no longer reasonable. The Government has been losing many of its best managers and professionals to private industry or to early retirement, and the Government's salary rates are now so far below what other employers are paying for comparable work that we have been having more and more difficulty finding qualified men and women who will come and take these jobs as they fall vacant.

H. R. 2559 will give to these officials exactly the same pay raise that is given to our white collar workers and to the military, under the principle of pay comparability with private industry.

This law will not solve the problems that have arisen from the six-year freeze on executive pay, but will keep these problems from getting worse. Pay for our Federal executives will continue to be far below what would be reasonable and equitable, but at least these executives will not continue to fall farther and farther behind.
I have recently established a Panel on Federal Compensation, under the chairmanship of the Vice President, to study our whole Federal pay system, and I hope this panel will be able to recommend to me suitable long-range reforms in the Government's executive pay structure.
OCCUPATIONAL SAFETY PROVISIONS FOR POSTAL SERVICE EMPLOYEES

June 10, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. Charles H. Wilson of California, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 2559]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 2559) to amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of this legislation is to bring the Postal Service under section 19 of the Occupational Safety and Health Act of 1970, so that the Postmaster General will have the statutory responsibility to establish and maintain an effective and comprehensive occupational safety and health program for the Postal Service.

SUMMARY

This legislation brings the Postal Service under the Occupational Safety and Health Act of 1970. The Postmaster General will be required to establish and maintain an effective and comprehensive occupational safety and health program for the Postal Service. He will be required, after consultation with representatives of Postal Service employees—

(1) to provide safe and healthful places and conditions of employment;
(2) to acquire, maintain, and require the use of safety equipment, personal protective equipment, and devices reasonably necessary to protect Postal Service employees;
President,

The Postal Service has no objection to the legislation but stated that it would apply to the Postal Service.

The Committee notes that the Postal Service specifically provided, no Federal law dealing with Federal officers or employees shall apply to the Postal Service. The Occupational Safety and Health Act of 1970 was not made specifically applicable to the Postal Service. Consequently, such 1970 act does not apply to the Postal Service as a matter of law.

The legislation, bringing the Postal Service under the 1970 safety act rather than leaving it to a matter of collective bargaining, results from concern expressed during oversight hearings held on May 24, 1973, by our Subcommittee on Postal Facilities, Mail, and Labor Management, during the 83rd Congress under the Chairmanship of Mr. Charles H. Wilson, (Democrat-California), Committee Hearings No. 95-16. The Subcommittee also issued a Staff Report entitled “Inspection Tour of Selected United States Postal Service Bulk and Preferential Mail Centers,” Committee Print No. 95-11.

The hearings on May 24, 1973, statistics were presented, which revealed apparent shortcomings in the safety program. The Deputy Assistant Secretary of Labor for Occupational Safety and Health (page of hearings), noted that the average number of lost work days per lost workday case in the private sector was 19, compared with 29 for the Postal Service. Further, he stated his belief that the USPS needs professional safety experts because the hazards in their employment, and that the Postal Service has a limited staff for that number of people.

Although a postal management representative testified that certain comparative safety figures showed the USPS doing a competent job,

H.R. 271

(3) to maintain records of all occupational accidents and illnesses; and

(4) to submit an annual report on the administration of the program to the Secretary of Labor.

BACKGROUND

The legislation, bringing the Postal Service under the 1970 safety act rather than leaving it to a matter of collective bargaining, results from concern expressed during oversight hearings held on May 24, 1973, by our Subcommittee on Postal Facilities, Mail, and Labor Management, during the 83rd Congress under the Chairmanship of Mr. Charles H. Wilson, (Democrat-California), Committee Hearings No. 95-16. The Subcommittee also issued a Staff Report entitled “Inspection Tour of Selected United States Postal Service Bulk and Preferential Mail Centers,” Committee Print No. 95-11.

During the hearings on May 24, 1973, statistics were presented, which revealed apparent shortcomings in the safety program. The Deputy Assistant Secretary of Labor for Occupational Safety and Health (page of hearings), noted that the average number of lost work days per lost workday case in the private sector was 19, compared with 29 for the Postal Service. Further, he stated his belief that the USPS needs professional safety experts because the hazards in their employment, and that the Postal Service has a limited staff for that number of people.

Although a postal management representative testified that certain comparative safety figures showed the USPS doing a competent job,

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steel, textile, automobile and shipbuilding industries has substantially lower accident rates than the Postal Service. Postal union officials testifying at the hearing were severely critical of management's efforts in the safety field.

“The truth of the matter is,” said one union vice-president, “the U.S. Postal Service does not have a safety program of any substance. Rather it is a hit-or-miss educational program, depending solely upon catch phrases and slogans and not engaging in any constructive or corrective actions.”

In order to further investigate the questions raised at the oversight hearing, Chairman Wilson directed his staff to examine first-hand safety standards at several postal facilities throughout the country.

On November 28, 1973, “The Staff Report on the Inspection Tour of Selected U.S. Postal Service Bulk and Preferential Mail Centers” was issued by the Subcommittee on Postal Facilities, Mail, and Labor Management. The report indicated that problems were readily apparent at many postal facilities.

At the Kearny (N.J.) bulk mail facility the staff observed littered floors in work areas which created safety hazards, empty wall containers designed to hold safety educational materials, and unprotected receiving chutes where guard railings had been removed due to damage.

It was also found that there were only two full-time safety officers on duty at the Kearny facility to oversee the safety needs of approximately 5000 employees. The safety officers are obviously overworked and, admittedly can't do a proper job. The individual accident frequency rate of 18 per million man-hours bears this out.

At the Cincinnati (Ohio) Main Post Office, the staff learned that three men served the safety needs of nearly 5000 employees at the Main Post Office, as well as its 85 stations and branches, and its 176 offices in the Cincinnati District.

The report states:

The safety office for the Main Cincinnati Post Office comes under the jurisdiction of the Labor Relations Office for the Cincinnati District. The Labor Relations Office is regarded by the (safety office) as being arbitrary and unwilling to cooperate with a sound safety program.

A Cincinnati official was quoted as saying, “There is a nebulous attitude about safety in the region.” The individual accident frequency rate is almost double the rate for comparable industries in the private sector.

The staff found at the Memphis (Tennessee) Post Office that two safety officers manage the safety program for the 3,600 employees in the 265 district offices. The local postmaster said that he did not believe that two safety officers were sufficient to cover the area. The accident rate for vehicles in 1973 was 2 per million work-hours, and the individual accident frequency rate was 18 per million work-hours.

The staff then concluded its investigative trip with a comparison tour of the United Parcel Service facility in Nashville, Tennessee. According to the report the United Parcel Service employees "appeared to be highly motivated which resulted in good production per-
formance. Work areas were clean, parcels were carefully handled. The individual accident rate was a low four per million work hours."

**Cost**

As indicated above in the report, the Postal Service currently is complying with section 19 of the Occupational Safety and Health Act of 1970 on the basis of provisions of the collective bargaining agreement. In the view of the Committee, the legislation which will make compliance of the 1970 act a matter of law, will not result in any increase in cost.

**Compliance With Clause 2(1)(3) of Rule XI**

The Subcommittee on Postal Facilities, Mail, and Labor Management conducted an oversight investigation of the safety program of the Postal Service during 1973, which is discussed in this report above. The Committee has received no report from the Committee on Government Operations of oversight findings and recommendations in connection with the safety program. No estimate and comparison of costs are necessary in connection with this bill, since there are no anticipated additional costs involved.

**Inflationary Impact Statement Under Clause 2(1)(4) of Rule IX**

Committee concludes that since there is no additional cost involved, the bill will not have any inflationary impact on prices or cost.

**Administrative Views**

The letter from the Postal Service dated March 9, 1975, in connection with this legislation, is set forth below.

**U.S. Postal Service, Law Department, Washington, D.C., March 9, 1975.**

Mr. David N. Henderson, Chairman, Committee on Post Office and Civil Service, House of Representatatives, Washington, D.C.

Dear Mr. Chairman: This responds to your request for our views on H.R. 271, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities.

Section 410(a) of title 29 provides that with certain exceptions, "no Federal law dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds...shall apply to the exercise of the powers of the Postal Service." That language would appear to include section 19 of the Occupational Safety and Health Act of 1970 (29 U.S.C. § 658) (OSHA). H.R. 2559 would amend 39 U.S.C. § 410(b) to designate section 19 of OSHA as an express exception to the general rule of 39 U.S.C. § 419(a).

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**The Postal Service is bound to comply with section 19 of OSHA by virtue of Article XIV, section 2(a) of the July 1973 collective bargaining agreement with the national postal labor unions. In a January 29, 1976, letter to the Postmaster General, Secretary of Labor Brennan praised Postal Service Regional level OSHA compliance in the following terms: "We are pleased to report that our appraisal showed operational programs that were substantive and viable. We believe the policies, procedures, and regulations that you and your staff have developed and implemented provide the necessary components for conducting effective safety programs and meet or exceed the criteria of the Act and Executive Order 11807."**

Before assuming its present contractual obligation, as a matter of policy, the Postal Service maintained full compliance with and participation in the Federal agency safety and health program established by section 19. In fact, the Postal Service program received the second place (Honorable Mention) award for Division 1 of the President's Safety Award competition for calendar year 1973, presented on January 24, 1974.

Since the Postal Service already necessarily complies fully with section 19 of OSHA, we see no need for, but have no objection to, legislation proposed by H.R. 2559 to make that compliance a specific requirement of title 29.

Sincerely,

W. Allyn Sanders, Assistant General Counsel, Legislative Division.

**Changes in Existing Law Made by the Bill, as Reported**

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**Section 410 of Title 29, United States Code**

§ 410. Application of other laws.

(a) * * *

(b) The following provisions shall apply to the Postal Service:

(1) Section 508 (public information), section 5110 (restrictions on employment of relatives), section 5335 and chapter 78 (.employee policies) and 78 (suitability, security, and conduct of employees), and section 5338 (dual pay) of title 5, except that no regulation issued under such chapters or sections shall apply to the Postal Service unless expressly made applicable;

(2) All provisions of title 18 dealing with the Postal Service, the mails, and officers or employees of the Government of the United States;

(3) Section 107 of title 29 (known as the Randolph-Sheppard Act, relating to vending machines operated by the blind);
(4) The following provisions of title 40:
  (A) Sections 258a-258e (relating to condemnation proceedings);
  (B) Sections 270a-270e (known as the Miller Act, relating to performance bonds);
  (C) Sections 276a-276e-7 (known as the Davis-Bacon Act, relating to prevailing wages);
  (D) Section 276c (relating to wage payments of certain contractors);
  (E) Chapter 5 (the Contract Work Hours Standards Act); and
  (F) Chapter 15 (the Government Losses in Shipment Act);

(5) The following provisions of title 41:
  (A) Sections 35-45 (known as the Walsh-Healey Act, relating to wages and hours); and
  (B) Chapter 6 (the Service Contract Act of 1965); and

(6) Sections 2000d, 2000d-1-2000d-4 of title 42 (title VI, the Civil Rights Act of 1964); and

Mr. McGee, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 2559]

The Committee on Post Office and Civil Service, to which was referred the bill (H.R. 2559)—To amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

TITLE I

PURPOSE

Under the July 1, 1973, collective bargaining agreement with the National Postal Unions, the Postal Service is bound to comply with the applicable section of the Occupational Safety and Health Act of 1970. The purpose of H.R. 2559 is to reinforce this responsibility by imposing upon the Postmaster General the statutory requirement that he comply with the Act by establishing and maintaining an effective and comprehensive occupational safety and health program for the Postal Service.

BACKGROUND

With certain exceptions, the Postal Reorganization Act (section 410), provides that no Federal law dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds shall apply to the exercise of the powers of the Postal Service. The Occupational Safety and Health Act is not specifically applicable to the Postal Service, Section 410(h) of title 39 lists laws which are exceptions to the general non-applicability provision. H.R. 2559 adds section 19 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 668) to the list of exceptions.
The addition of section 19 of the Occupational Safety and Health Act brings the Postal Service within the purview of that Act. Thus, the Postmaster General would be required to establish and maintain an effective and comprehensive occupational safety and health program. After consultation with representatives of Postal Service employees, the Postmaster General would be required:

- to provide safe and healthful places and conditions of employment;
- to acquire, maintain, and require the use of safety equipment, personal protective equipment, and devices reasonably necessary to protect employees;
- to keep adequate record of all occupational accidents and illnesses for proper evaluation and necessary corrective action;
- to consult with the Secretary of Labor with regard to the adequacy as to form and content of the records kept;
- to make an annual report to the Secretary of Labor with respect to occupational accidents and injuries and the Postal Service’s health and safety program.

The Postal Service expresses no objection to the enactment of H.R. 2559, but views it as unnecessary, since the Postal Service is already complying with the requirements of the legislation under its collective bargaining agreement with the National Postal Unions.

**Statement**

The Committee is concerned over the occupational safety and health program of the Postal Service and believes that the program would be improved if compliance with the Occupational Safety and Health Act were required by law rather than by negotiated agreement with the Unions. Hearings in 1973 conducted by the House Post Office and Civil Service Committee’s Postal Facilities, Mail, and Labor Management Subcommittee show that a lack of such requirements reveals lapses in the Postal Service’s safety program—shortcomings which the Committee believes would be more expeditiously eliminated if compliance with safety standards were required by law.

The House Subcommittee hearings and Staff Report show:

- The steel, textile, automobile, and shipbuilding industries have substantially lower accident rates than the Postal Service does.
- Union officials were severely critical of Postal Service management’s efforts in the field of safety.
- The Postal Service probably should increase its complement of professional safety experts.
- Unhealthy and unsafe conditions were noted by the House Subcommittee’s staff at several Post Offices.

**Cost**

Enactment of this measure will not result in increased costs to the Postal Service, since the Postal Service is currently complying with section 19 of the Occupational Safety and Health Act of 1970.

**Agency Views**

Following are the views of the Postal Service on H.R. 2559:

U.S. Postal Service, Law Department, Washington, D.C., July 1, 1975

Hon. Gale W. McGee, Chairman, Committee on Post Office and Civil Service, U.S. Senate, Washington, D.C.

**Dear Mr. Chairman:** This responds to your request for our views on H.R. 2559, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities. This bill passed the House of Representatives on June 16, 1973, and is now before the Senate Committee on Post Office and Civil Service.

Section 410(a) of title 29 provides that with certain exceptions, "no Federal law dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds . . . shall apply to the exercise of the powers of the Postal Service." That language would appear to include section 19 of the Occupational Safety and Health Act of 1970 (29 U.S.C. § 668) (OSHA). H.R. 2559 would amend 29 U.S.C. § 410(b) to designate section 19 of OSHA as an express exception to the general rule of 29 U.S.C. § 410(a).

The Postal Service is bound to comply with section 19 of OSHA by virtue of Article XIV, section 3.D of the July 1973 collective bargaining agreement with the national postal labor unions. In a January 29, 1975, letter to the Postmaster General, Secretary of Labor Brennan praised Postal Service Regional level OSHA compliance in the following terms:

We are pleased to report that our appraisal showed operational programs that were substantive and viable. We believe the policies, procedures, and regulations that you and your staff have developed and implemented, provide the necessary components for conducting effective safety programs and meet or exceed the criteria of the Act and Executive Order 11907.

Before assuming its present contractual obligation, as a matter of policy, the Postal Service maintained full compliance with and participation in the federal agency safety and health program established by section 19. In fact, the Postal Service program received the second place (Honorable Mention) award for Division 1 of the President’s Safety Award competition for calendar year 1972, presented on January 24, 1974.

Since the Postal Service already necessarily complies fully with section 19 of OSHA, we see no need for, but have no objection to, legislation proposed by H.R. 2559 to make that compliance a specific requirement of title 29.

Sincerely,

W. Allen Sanders, Assistant General Counsel, Legislative Division.
The purpose of the amendment to H.R. 2559 which constitutes Title II of the bill as reported is to provide a minimal salary adjustment for top executive, legislative and judicial officers and employees of the United States who last received an increase in compensation in March 1969. By so doing, Title II would meet what the Comptroller General of the United States has called "a critical need." It also would provide a measure of relief to the increasing numbers of senior civil service employees on the General Schedule affected by the $36,000 ceiling in effect now for 78 months.

The adjustment proposed in each instance would be an amount rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the nearest higher multiple of $100), equal to the percentage set forth in the report transmitted to the Congress under section 505 of Title 5, which pertains to annual adjustments in the rates of pay under the General Schedule. The adjustment would take effect at the beginning of the first month in which the adjustment under section 505 occurs. Unless altered by an alternative plan proposed by the President, which is not disapproved by either the Senate or House of Representatives, that adjustment occurs as of the beginning of the first applicable pay period commencing on or after October 1 of each year.

While Title II of the bill would not correct the pay gap which has grown since 1969 or the problem of compression which has taken place in the higher reaches of the Government's salary schedule, it would put a stop to the continued growth of the pay gap occasioned by the increased cost of living since March 1969 and the pay adjustments which have occurred in other segments of the economy over that period of time. It would provide a cost-of-living type of relief to those officials and employees whose purchasing power has been eroded almost a third because of inflation.

It is anticipated that the matter of the pay gap will be reviewed by the next Quadrennial Commission on Executive, Legislative, and Judicial Salaries during Fiscal Year 1977.

BACKGROUND

Salary adjustments for top-senior officials of the Government are provided for under the Federal Salary Act of 1967, which authorizes a Commission on Executive, Legislative, and Judicial Salaries, whose function is to study and review the compensation of the personnel affected and report its recommendations to the President no later than January 1 of the year following the close of the fiscal year in which the Commission is appointed to make its quadrennial review.

The President then makes his recommendations on the rates of pay for the offices and positions with which the Commission is concerned to the Congress, including those recommendations in his Budget message. The President's recommendations become effective at the beginning of the first pay period which begins after the thirteenth day following the transmittal of his recommendations, unless Congress enacts a conflicting law or specifically disapproves all or part of his recommendations.

The last pay adjustments provided for under this Act took effect in March 1969. The most recent Commission was appointed by then-President Nixon in December, 1972, too late for it to include a review and make a report by January 1, 1973. Thus, that report was delayed a year, being submitted to Congress on February 4, 1974. The Committee on Post Office and Civil Service reported a resolution (S. Res. 283) on February 28, 1974, which would have permitted all provisions of the President's proposal, except those providing adjustments in the pay of Members of Congress, to take effect. The Senate, however, amended the Resolution to disapprove all of the President's recommendations and thus rejected the entire proposal on March 6, 1974.

Prior to the events of early 1974, the Committees on Post Office and Civil Service had reported a bill (S. 1898) which would have provided for a biennial review and adjustment, rather than a quadrennial review and adjustment, and which would have provided for the President's recommendations to be submitted to Congress no later than August 31 of every second year beginning in 1975. That bill passed by the Senate but failed in the House of Representatives.

Subsequent to the Senate's disapproval of the President's recommendations in 1974, hearings were held on proposed legislation with respect to the rates of pay for Levels III, IV, and V of the Executive Schedule and certain positions in the Legislative and Judicial branches, as well as legislation to provide for a unified system for making pay adjustments for all civilian employees and officers.

STATEMENT

The salaries of the Government's key personnel, including Cabinet officers, other presidential appointees, Members of Congress, the Federal Judiciary from the Chief Justice down, and, as the result of provisions of the law freezing other employees' salaries, about 14,600 other employees covered by statutory pay systems and 600 officers of the armed services, are fixed. For many, they have been fixed since March of 1969.

In March of 1969 the Consumer Price Index stood at 108.0. In May of 1975 it stood at 150.3, up 47.5 percent. The effect has been to eat away the purchasing power of the affected officers and employees. By May 1975, according to information supplied by the Committee by the General Accounting Office, individuals holding these positions had lost almost a third of the purchasing power of their March 1969 salaries.

<table>
<thead>
<tr>
<th>Committee level</th>
<th>March 1969 salary</th>
<th>May 1975 purchasing power</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>$40,000</td>
<td>$49,960</td>
</tr>
<tr>
<td>II</td>
<td>$42,400</td>
<td>$54,150</td>
</tr>
<tr>
<td>III</td>
<td>$43,200</td>
<td>$55,200</td>
</tr>
<tr>
<td>IV</td>
<td>$47,000</td>
<td>$66,200</td>
</tr>
<tr>
<td>V</td>
<td>$52,000</td>
<td>$79,200</td>
</tr>
</tbody>
</table>

(continued)
To put it another way, a Level V official would have to earn about $53,000 a year just to maintain the same standard of living he had in 1969.

Since the last salary adjustment for personnel on the Executive Schedule or in comparable Legislative or Judicial posts, General Schedule employees have received seven pay raises accumulating to about 50 percent. As a result, increasing numbers of employees in the General Schedule are affected by the pay limitation provision, 5 U.S.C. 2006, which provides that General Schedule employees may not be paid at a rate in excess of the basic rate for Level V of the Executive Schedule, which has been $36,000 for the past 76 months.

This salary compression weakens two statutory principles—equal pay for equal work and the maintenance of proper pay distinctions in keeping with responsibility. A June 1974 study by the Civil Service Commission showed that intergrade differentials between private sector equivalents to GS-15 to GS-18 were as follows:

<table>
<thead>
<tr>
<th>Between grades</th>
<th>Percentage differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS-15 and GS-18</td>
<td>24.6</td>
</tr>
<tr>
<td>GS-16 and GS-17</td>
<td>30.3</td>
</tr>
<tr>
<td>GS-17 and GS-18</td>
<td>27.0</td>
</tr>
</tbody>
</table>

The same situation applies to the Federal Judiciary. Attorney general's salaries, as surveyed by the United States Department of Labor, have risen 53.9 percent since 1969, while the salaries of U.S. Judges have not risen at all. Salaries of State Chief Judges have increased 44.2 percent in the same period, and, whereas in 1969 only one state (New York) paid its judiciary at a rate greater than the pay of a United States District Court Judge, there now are 20 states compensating their judges at rates equal to or greater than the pay of Federal District Court Judges.

Another study entitled, "Report of Special Survey of Level of Quality of Patient Care at Veterans' Administration Hospitals and Clinics," relating to the pay of physicians, dentists, and nurses in V.A. Hospitals, includes the following recommendation:

In the opinion of the Task Force, the top priority to be considered is remuneration for physicians.

We recommend that legislative action be sought in the current session of the Congress to obtain incentive pay for physicians, dentists, and nurses. Such actions are critically important because the pay raise anticipated in October, 1974, will have no benefit for 1,850 physicians and dentists and an additional $35 will not be able to realize the full percentage increase of the raise due to the $36,000 per annum salary restriction. If improved remuneration is not forthcoming in the next few months, we are convinced that the VA's ability to recruit well-qualified physicians will be seriously impaired and there will be an acceleration of resignations and conversions to part-time employment for economic reasons.

The Committee is aware of any number of anomalous situations created by the present $36,000 pay ceiling. Continuation of a policy which can only progressively wipe out pay distinctions can only erode morale within the work force and have a negative effect upon career incentives of people in key positions. Indeed, as the General Accounting Office has pointed out in a paper presented to the Committee, "The salary ceiling along with cost-of-living adjustments for Federal retirees has provided increased incentives for eligible executives to retire."

Between November 1, 1974, and February 1, 1975, the retirement rate of eligible Government executives was almost 300 percent higher than the Government-wide average. And they retire at a younger age, resulting in added costs to the retirement fund. The GAO reports that at least seven former Government officials now receive annuities greater than $36,000.

Between now and the end of the month many more key personnel will retire because of this anomaly. The Commissioner of Social Security, in a June 23, 1975, memorandum to the Secretary of Health, Education, and Welfare, sketched the following state of affairs in his own agency:

THE COMMISSIONER OF SOCIAL SECURITY

Note for the Secretary:

Enclosed is a summary of retirements from key positions that will occur between now and the end of next month—the deadline for the 1975 benefit increase on CIV retirement.

In all, there are eight definite and one probable. Four of the nine are Regional Commissioners (leaving five).

The two top posts below the Commissioner—the Deputy Commissioner (Art Hess) and the Associate Commissioner for Operations (Hugh McKenna) —will be vacated. (To make matters worse, the next highest post, the Associate Commissioner for Program Policy and Planning, has been vacant for some time. Our top candidate backed out at the last minute to take an offer outside of Government paying $14,000 more than we can offer.)

In all (counting the probable), we are losing nine out of our top nine supergrade posts at one time—in the midst of a major reorganization and in the midst of one of the heaviest workload and policy change periods ever faced by SSA. While some of the retirements would have occurred sooner or later due to age (SSA's top staff has been allowed to stratify too much at one age level), all of the retiree cites dollars and cents advantages of retirement over work (and the lack of any prospect for a raise in Federal salaries) as at least one of their reasons for retiring now. Seven out of nine cite the Federal salary versus retirement increases as the only reason for leaving at this time.

As you can see from the enclosed listing, all of the men will draw high retirement incomes compared to their present fixed salary of $36,000.

This is not smart government. It's not smart economics.

For that matter, it's not smart anything.

I know that you have tried to help, but I am personally discouraged that any of us has any real chance of stopping the present trend in either salaries or retirements.

JAMES B. CARDBWELL

Enclosure.

P.S. Since this was written, one more retirement has been received.
Nor is the Social Security Administration alone. Consider these recent developments:

Since November of 1973, eight Federal judges with lifetime tenure have resigned to return to private life and some have very specifically stated that the reason for their decision was the freeze on salaries. So far as the record can be determined, one would have to go back from 1973 to at least 1941 to equal the judicial retirement record of the past 30 months. The latest example comes from New Orleans, where the retirement of Judge James Comiskey of the Eastern District of Louisiana became effective June 16. He left to become the president of a banking concern.

An individual declined appointment to a Department of Commerce's GS-18 Associate General Counsel position in order to accept a position paying $40,000 in private industry.

Six individuals declined the Library of Congress' S-17 position of Senior Specialist in Taxation and Fiscal Policy because they were all earning higher salaries in their present employment.

Two candidates said they could not afford to accept HEW's GS-18 position of Director, National Institute on Aging at the National Institutes of Health because of the pay limitation. One individual, currently with NIH, refused promotion to this position because he would not have received any increase in pay.

In June 1973, six of the Department of Treasury's 12 top officials announced their departures. The Under Secretary of the Treasury for Monetary Affairs resigned his $40,000 post because he said he was "broke". He said there were no reasons for leaving other than the need to replenish his "pocketbook."

HEW's GS-17 Associate Administrator for Planning, Research, and Training resigned to accept a higher-paying job in private enterprise.

The GS-18 Executive Director of the Federal Power Commission retired to seek employment in private enterprise because of the executive salary ceiling.

NASA's Associate Administrator resigned to accept a position in the private sector and in leaving indicated a dissatisfaction with Federal salaries.

The Executive Director and the General Counsel of the Civil Service Commission retired because of the freeze on supergrade pay.

Five top officials of the Social Security Administration announced their retirement because staying on in the frozen pay levels would deny them cost-of-living increases as retirees.

Four GS-18 Administrative Law Judges in the Federal Trade Commission retired indicating their decisions were influenced by the effect of the salary ceiling on their annuities.

During January to May 1974, the Department of Defense reported that the salary ceiling was an important part of the decisions of 17 executives to resign or retire, three employees to refuse promotions, realignments, or transfers, and 26 individuals to decline Government job offers.

The Committee agrees with Commissioner Cardwell of the Social Security Administration that this is not smart government, not smart economics, not smart anything.
The October 1975 comparability increase for employees on the General Schedule is estimated at about 8 percent. On that basis, the increased cost to the Government as the result of passage of Title II of H.R. 2559 would be $46.7 million, broken down as follows:

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Number of Employees</th>
<th>Cost (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Schedule</td>
<td>12</td>
<td>3.6</td>
</tr>
<tr>
<td>Level I</td>
<td>4</td>
<td>0.9</td>
</tr>
<tr>
<td>Level II</td>
<td>10</td>
<td>1.0</td>
</tr>
<tr>
<td>Level III</td>
<td>88</td>
<td>3.3</td>
</tr>
<tr>
<td>Level IV</td>
<td>271</td>
<td>4.9</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>46.7</td>
</tr>
</tbody>
</table>

In addition to the above, there are 900 officers in the armed services whose pay is limited by the $36,000 ceiling.

Pay for executives and managers in the Federal service presents a severe problem. Because employees at the top of the regular pay schedule and those in the executive levels are fixed by law and tradition into a strict relationship with Congressional pay, and since Congress has been reluctant to raise its own pay in recent years, FY 1974 saw another 12 months go by without an increase in the pay of executives. Because the General Schedule of graded pay levels continually rises to maintain comparability with private sector salaries, and executive pay is effectively frozen, there is increasing compression at the top. One effect of this compression is to place an increasing number of reporting levels at the same pay level.
Top Federal managers, scientists, and engineers in jobs that would pay $80,000 to $70,000 in private employment, as shown by our studies, have been at $26,000, without a raise, for 2 to 3 years. As a result the Government is losing some of its most talented and experienced managers and other professionals. The Commission continues to urge the Congress to correct this situation, which saves a minimal amount in comparison with the overall Federal payroll, and costs the taxpayers a considerable investment in top-rank employees who are greatly needed to meet the demands for effective governmental operations.


Hon. Gale W. McGee, Chairman, Committee on Post Office and Civil Service, U.S. Senate.

DEAR MR. CHAIRMAN: On February 25, 1975, we issued a report to the Congress emphasizing the critical need for a better system for adjusting top executive, legislative, and judicial salaries. This report pointed out that there has been no adjustment in such salaries since March 1969, and concluded that the provisions of the Federal Salary Act of 1967, which contemplated that salary adjustments for such positions would be made every four years, have failed.

To date, no action has been taken on our recommendation that immediate legislation be enacted to reform the salary adjustment process for top officials. We recommended that a new process should provide that salaries be adjusted annually on the basis of either the annual change in the cost-of-living index or the average percentage increase in General Schedule salaries and that such pay levels be periodically reviewed by an independent commission.

Under the current quadrennial review and adjustment process, the next earliest possible adjustment could not occur until 1977. We believe that if adjustments are not made before then, the adverse effects on recruitment, retention, and incentive for advancement throughout the Federal service will continue to cause serious damage to the capability to manage Federal programs economically and effectively.

Enclosed is an updated synopsis of information included in our February report showing that the situation continues to worsen for Federal executives and their employing agencies and promises to deteriorate even further.

Sincerely yours,

ELMER B. STAUDT,
Comptroller General of the United States.

Enclosures.
The compression problem is becoming more severe
Since March 1968, General Schedule employees have re-
ceived seven pay raises accumulating to about 50 percent. Esti-
mates of the General Schedule increase, scheduled for October
1975, run as high as nine percent. While the President has in-
dicated a desire to hold the raise to five percent, additional
employees will reach $36,000 regardless of the percentage
increase.

Percent of employees at $36,000

<table>
<thead>
<tr>
<th>Current pay rate</th>
<th>If October raise is 5%</th>
<th>If October raise is 9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,000</td>
<td>$36,000</td>
<td>$36,000</td>
</tr>
<tr>
<td>$35,000</td>
<td>$37,500</td>
<td>$39,000</td>
</tr>
<tr>
<td>$40,000</td>
<td>$42,000</td>
<td>$44,000</td>
</tr>
<tr>
<td>$45,000</td>
<td>$45,000</td>
<td>$48,000</td>
</tr>
<tr>
<td>$50,000</td>
<td>$52,000</td>
<td>$56,000</td>
</tr>
</tbody>
</table>

Non-Federal executives have received substantial pay
increases
From 1969 through 1974, non-Federal executives' salaries
increased about 67 percent and were projected to increase an-
other 10 percent during 1975. Similarly, senior civil service
employees in other countries have had substantial pay in-
creases since 1969. The pay of top government positions in
England, Germany, and Italy increased anywhere from 30
to 150 percent between 1969 and 1975. Many officials in these
countries now receive more compensation than their U.S.
counterparts. These officials generally received pay increases
at the same time increases were given the lower paid civil
servants.

Retirement is more financially attractive than continuing
to work
The salary ceiling along with cost-of-living adjustments for
Federal retirees has provided increased incentives for eligible
executives to retire. Since the last salary increase for top
officials, retirees have received increases of approximately 35
percent. Another increase of 6.1 percent will be granted to
retirees on August 1, 1975. Employees who retire by this date
will also have the 7.3 percent increase of January 1, 1975,
considered in their annuity calculations. For example, if a
GS-15 with 30 years of service had retired in December 1974,
his annual annuity after the August adjustment would be
$38,943. If he continues to work through July 1975, his an-
nuity on August 1, 1975, would be $39,836. If he retires
after July 1975, his annuity would be only $37,734-$3,119 less
than if he had retired in December and $4,119 less than if he had
retired in July.

Changes in Existing Law
In compliance with subsection 4 of rule XXIX of the Standing
Rules of the Senate, changes in existing law made by the bill as re-
ported are shown as follows (existing law in which no change is
proposed is shown in roman; existing law proposed to be omitted
is enclosed in black brackets; new matter is shown in italic):

§ 410. Application of other laws.
(a) * * *
(b) The following provisions shall apply to the Postal Service:
(1) Section 352 (public information), section 3110 (restrictions
on employment of relatives), section 3338 and chapters 71 (em-
ployee policies) and 72 (suitability, security, and conduct of em-
ployees), and section 5532 (dual pay) of title 5, except that no
regulation issued under such chapters or sections shall apply to
the Postal Service unless expressly made applicable;
(2) All provisions of title 18 dealing with the Postal Service,
the mails, and officers or employees of the Government of the
United States;
(3) Sections 276c (relating to wage payments of certain
employees) and section 5532 (public information) of title 5, except
that no regulation issued under such sections shall apply to
the Postal Service unless expressly made applicable;
(4) The following provisions of title 60:
(A) Sections 258a-258e (relating to condemnation proce-
dings);
(B) Sections 270a-270e (known as the Miller Act, relating to
performance bonds);
(C) Sections 270a-270e-7 (known as the Davis-Bacon Ac-
t同事 to prevailing wages);
(D) Section 270c (relating to wage payments of certain con-
tractors);
(E) Chapter 5 (the Contract Work Hours Standards Act); and

Between November 1, 1974, and February 1, 1975, the re-
tirement rate of eligible Government executives was almost
200 percent higher than the Government-wide average. The
greatest number of retiring executives was in the 55 to 59 age
group. The greatest number of total retirements among all
employees was in age group 60 and over. The earlier retire-
ments of Government executives result in added costs to the
retirement fund in addition to the cost of their replacements.
At least seven former Government officials now receive an-
nuities greater than $50,000.
### TITLE 5, UNITED STATES CODE

#### Chapter 3—Pay Rates and Systems

<table>
<thead>
<tr>
<th>SEC.</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5001</td>
<td>Policy</td>
<td>—</td>
</tr>
<tr>
<td>5002</td>
<td>(Repealed.)</td>
<td>—</td>
</tr>
<tr>
<td>5003</td>
<td>Higher minimum rates; Presidential authority.</td>
<td>—</td>
</tr>
<tr>
<td>5004</td>
<td>Presidential policies and regulations.</td>
<td>—</td>
</tr>
<tr>
<td>5005</td>
<td>Annual pay reports and adjustments.</td>
<td>—</td>
</tr>
<tr>
<td>5006</td>
<td>Advisory Committee on Federal Pay.</td>
<td>—</td>
</tr>
<tr>
<td>5007</td>
<td>Pay fixed by administrative action.</td>
<td>—</td>
</tr>
<tr>
<td>5008</td>
<td>Pay limitation.</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Subchapter II—Executive Schedule Pay Rates

<table>
<thead>
<tr>
<th>SEC.</th>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5311</td>
<td>The Executive Schedule.</td>
<td>—</td>
</tr>
<tr>
<td>5312</td>
<td>Positions at level I.</td>
<td>—</td>
</tr>
<tr>
<td>5313</td>
<td>Positions at level II.</td>
<td>—</td>
</tr>
<tr>
<td>5314</td>
<td>Positions at level III.</td>
<td>—</td>
</tr>
<tr>
<td>5315</td>
<td>Positions at level IV.</td>
<td>—</td>
</tr>
<tr>
<td>5316</td>
<td>Positions at level V.</td>
<td>—</td>
</tr>
<tr>
<td>5317</td>
<td>Presidential authority to place positions at levels IV and V.</td>
<td>—</td>
</tr>
<tr>
<td>5318</td>
<td>Adjustments in rates of pay.</td>
<td>—</td>
</tr>
</tbody>
</table>

#### § 5312. Positions at level I

| (A) | Title: Secretaries of State. | — |
| (B) | Title: Treasurer. | — |
| (C) | Title: Secretary of Defense. | — |
| (D) | Title: Attorney General. | — |
| (E) | Title: Secretary of Agriculture. | — |
| (F) | Title: Secretary of Commerce. | — |
| (G) | Title: Secretary of Labor. | — |
| (H) | Title: Secretary of Health, Education, and Welfare. | — |
| (I) | Title: Secretary of Housing and Urban Development. | — |
| (J) | Title: Secretary of Transportation. | — |
| (K) | Title: Special Representative for Trade Negotiations. | — |

#### § 5313. Positions at level II

| (A) | Title: Deputy Secretaries of Defense. | — |
| (B) | Title: Deputy Secretary of State. | — |
| (C) | Title: Administrator, Agency for International Development. | — |
| (D) | Title: Administrator of the National Aeronautics and Space Administration. | — |
| (E) | Title: Administrator of Veterans' Affairs. | — |
| (F) | Title: Secretary of the Treasury. | — |
| (G) | Title: Deputy Secretary of Transportation. | — |
| (H) | Title: Chairman, Nuclear Regulatory Commission. | — |
| (I) | Title: Chairman, Council of Economic Advisers. | — |
| (J) | Title: Chairman, Board of Governors of the Federal Reserve System. | — |
| (K) | Title: Director of the Bureau of the Budget. | — |
| (L) | Title: Director of the Office of Science and Technology. | — |
| (M) | Title: Director of the United States Arms Control and Disarmament Agency. | — |
| (N) | Title: Director of the United States Information Agency. | — |
| (O) | Title: Director of Central Intelligence. | — |
| (P) | Title: Secretary of the Air Force. | — |
| (Q) | Title: Secretary of the Army. | — |
| (R) | Title: Secretary of the Navy. | — |
(19) Administrator, Federal Aviation Administration.
(20) Director of the National Science Foundation.
(21) Deputy Attorney General.
(22) Director of the Special Action Office for Drug Abuse Prevention.
(23) Administrator of Energy Research and Development Administration.

§ 5314. Positions at level III

Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is $45,000.

<table>
<thead>
<tr>
<th>Position</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Solicitor General of the United States</td>
</tr>
<tr>
<td>2</td>
<td>Deputy Solicitor General of the United States</td>
</tr>
<tr>
<td>3</td>
<td>Under Secretary of Agriculture</td>
</tr>
<tr>
<td>4</td>
<td>Under Secretary of Commerce</td>
</tr>
<tr>
<td>5</td>
<td>Under Secretary of the Interior</td>
</tr>
<tr>
<td>6</td>
<td>Under Secretary of Labor</td>
</tr>
<tr>
<td>7</td>
<td>Under Secretary of State for Political Affairs and Under Secretary of State for Coordinating Security Assistance Programs</td>
</tr>
<tr>
<td>8</td>
<td>Under Secretary of the Treasury (Director of the Office of the Comptroller of the Currency)</td>
</tr>
<tr>
<td>9</td>
<td>Under Secretary of the Treasury for Monetary Affairs</td>
</tr>
<tr>
<td>10</td>
<td>Administrator of General Services</td>
</tr>
<tr>
<td>11</td>
<td>Counselor to the President</td>
</tr>
<tr>
<td>12</td>
<td>Administrator of the Small Business Administration</td>
</tr>
<tr>
<td>13</td>
<td>Deputy Administrator of Veterans' Affairs</td>
</tr>
<tr>
<td>14</td>
<td>Deputy Administrator of Veterans' Affairs</td>
</tr>
<tr>
<td>15</td>
<td>Deputy Administrator, Agency for International Development</td>
</tr>
<tr>
<td>16</td>
<td>Chairman, Civil Aeronautics Board</td>
</tr>
<tr>
<td>17</td>
<td>Chairman of the United States Civil Service Commission</td>
</tr>
<tr>
<td>18</td>
<td>Chairman, Federal Communications Commission</td>
</tr>
<tr>
<td>19</td>
<td>Chairman, Board of Directors, Federal Deposit Insurance Corporation</td>
</tr>
<tr>
<td>20</td>
<td>Chairman of the Federal Home Loan Bank Board</td>
</tr>
<tr>
<td>21</td>
<td>Chairman, Federal Power Commission</td>
</tr>
<tr>
<td>22</td>
<td>Chairman, Federal Trade Commission</td>
</tr>
<tr>
<td>23</td>
<td>Chairman, Interstate Commerce Commission</td>
</tr>
<tr>
<td>24</td>
<td>Chairman, National Labor Relations Board</td>
</tr>
<tr>
<td>25</td>
<td>Chairman, Securities and Exchange Commission</td>
</tr>
<tr>
<td>26</td>
<td>Chairman, Board of Directors of the Tennessee Valley Authority</td>
</tr>
<tr>
<td>27</td>
<td>Chairman, National Mediation Board</td>
</tr>
</tbody>
</table>

(28) Chairman, Railroad Retirement Board.
(29) Chairman, Federal Maritime Commission.
(30) Comptroller of the Currency.
(31) Commissioner of Internal Revenue.
(32) Director of Defense Research and Engineering, Department of Defense.
(33) Deputy Administrator of the National Aeronautics and Space Administration.
(34) Deputy Director of the Bureau of the Budget.
(35) Deputy Director of Central Intelligence.
(36) Director of the Office of Emergency Planning.
(37) Director of the Peace Corps.
(38) Chief Medical Director in the Department of Medicine and Surgery, Veterans' Administration.
(39) Deputy Director, National Science Foundation.
(40) Deputy Administrator, Federal Railroad Administration.
(41) Administrator, Federal Highway Administration.
(42) Administrator, Federal Railroad Administration.
(43) Administrator, National Transportation Safety Board.
(44) Chairman of the National Endowment for the Arts the incumbent of which also serves as Chairman of the National Council on the Arts.
(45) Chairman of the National Endowment for the Humanities.
(46) Administrator, Small Business Administration.
(47) Administrator, Agency for International Development.
(48) Chairman, Occupational Safety and Health Review Commission.
(49) Chairman, Occupational Safety and Health Review Commission.
(50) Governor of the Farm Credit Administration.
(53) Deputy Administrator, Energy Research and Development Administration.
(54) Chairman, Commodity Futures Trading Commission.
(55) Deputy Special Representative for Trade Negotiations (Director of the Office of the Special Representative for Trade Negotiations).
(56) Chairman, United States International Trade Commission.

§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is $53,000.

<table>
<thead>
<tr>
<th>Position</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Solicitor General of the United States</td>
</tr>
<tr>
<td>2</td>
<td>Deputy Solicitor General of the United States</td>
</tr>
<tr>
<td>3</td>
<td>Under Secretary of Agriculture</td>
</tr>
<tr>
<td>4</td>
<td>Under Secretary of Commerce</td>
</tr>
<tr>
<td>5</td>
<td>Under Secretary of the Interior</td>
</tr>
<tr>
<td>6</td>
<td>Under Secretary of Labor</td>
</tr>
<tr>
<td>7</td>
<td>Under Secretary of State for Political Affairs and Under Secretary of State for Coordinating Security Assistance Programs</td>
</tr>
<tr>
<td>8</td>
<td>Under Secretary of the Treasury (Director of the Office of the Comptroller of the Currency)</td>
</tr>
<tr>
<td>9</td>
<td>Under Secretary of the Treasury for Monetary Affairs</td>
</tr>
<tr>
<td>10</td>
<td>Administrator of General Services</td>
</tr>
<tr>
<td>11</td>
<td>Counselor to the President</td>
</tr>
<tr>
<td>12</td>
<td>Administrator of the Small Business Administration</td>
</tr>
<tr>
<td>13</td>
<td>Deputy Administrator of Veterans' Affairs</td>
</tr>
<tr>
<td>14</td>
<td>Deputy Administrator of Veterans' Affairs</td>
</tr>
<tr>
<td>15</td>
<td>Deputy Administrator, Agency for International Development</td>
</tr>
<tr>
<td>16</td>
<td>Chairman, Civil Aeronautics Board</td>
</tr>
<tr>
<td>17</td>
<td>Chairman of the United States Civil Service Commission</td>
</tr>
<tr>
<td>18</td>
<td>Chairman, Federal Communications Commission</td>
</tr>
<tr>
<td>19</td>
<td>Chairman, Board of Directors, Federal Deposit Insurance Corporation</td>
</tr>
<tr>
<td>20</td>
<td>Chairman of the Federal Home Loan Bank Board</td>
</tr>
<tr>
<td>21</td>
<td>Chairman, Federal Power Commission</td>
</tr>
<tr>
<td>22</td>
<td>Chairman, Federal Trade Commission</td>
</tr>
<tr>
<td>23</td>
<td>Chairman, Interstate Commerce Commission</td>
</tr>
<tr>
<td>24</td>
<td>Chairman, National Labor Relations Board</td>
</tr>
<tr>
<td>25</td>
<td>Chairman, Securities and Exchange Commission</td>
</tr>
<tr>
<td>26</td>
<td>Chairman, Board of Directors of the Tennessee Valley Authority</td>
</tr>
<tr>
<td>27</td>
<td>Chairman, National Mediation Board</td>
</tr>
</tbody>
</table>
Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 5, as adjusted by section 5318 of this title:

<table>
<thead>
<tr>
<th>Level</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Administrator, Bureau of Security and Consular Affairs, Department of State.</td>
</tr>
<tr>
<td>(3)</td>
<td>Assistant Administrator of the National Aeronautics and Space Administration.</td>
</tr>
<tr>
<td>(4)</td>
<td>Assistant Administrators, Agency for International Development.</td>
</tr>
<tr>
<td>(5)</td>
<td>Regional Assistant Administrators, Agency for International Development.</td>
</tr>
<tr>
<td>(6)</td>
<td>Under Secretary of the Air Force.</td>
</tr>
<tr>
<td>(7)</td>
<td>Deputy Under Secretary of the Army.</td>
</tr>
<tr>
<td>(8)</td>
<td>Deputy Under Secretary of State.</td>
</tr>
<tr>
<td>(9)</td>
<td>Assistant Secretary of Agriculture.</td>
</tr>
<tr>
<td>(10)</td>
<td>Assistant Secretaries of Commerce.</td>
</tr>
<tr>
<td>(11)</td>
<td>Deputy Secretary of the Army.</td>
</tr>
<tr>
<td>(12)</td>
<td>Deputy Secretary of the Navy.</td>
</tr>
<tr>
<td>(13)</td>
<td>Assistant Secretary of Health, Education, and Welfare.</td>
</tr>
<tr>
<td>(14)</td>
<td>Assistant Secretaries of the Interior.</td>
</tr>
<tr>
<td>(15)</td>
<td>Assistant Attorneys General.</td>
</tr>
<tr>
<td>(16)</td>
<td>Assistant Secretaries of Labor.</td>
</tr>
<tr>
<td>(18)</td>
<td>Deputy Director of the Peace Corps.</td>
</tr>
<tr>
<td>(19)</td>
<td>Deputy Director of the United States Arms Control and Disarmament Agency.</td>
</tr>
<tr>
<td>(20)</td>
<td>Deputy Director of the United States Information Agency.</td>
</tr>
<tr>
<td>(21)</td>
<td>Assistant Directors of the Bureau of the Budget.</td>
</tr>
<tr>
<td>(22)</td>
<td>General Counsel of the National Labor Relations Board.</td>
</tr>
<tr>
<td>(23)</td>
<td>General Counsel of the Department of Commerce.</td>
</tr>
<tr>
<td>(24)</td>
<td>General Counsel of the Department of Defense.</td>
</tr>
<tr>
<td>(26)</td>
<td>Solicitor of the Department of the Interior.</td>
</tr>
<tr>
<td>(27)</td>
<td>Solicitor of the Department of Labor.</td>
</tr>
<tr>
<td>(28)</td>
<td>General Counsel of the National Labor Relations Board.</td>
</tr>
<tr>
<td>(30)</td>
<td>General Counsel of the Department of the Treasury.</td>
</tr>
<tr>
<td>(31)</td>
<td>First Vice President of the Export-Import Bank of Washington.</td>
</tr>
<tr>
<td>(34)</td>
<td>Inspector General, Foreign Assistance.</td>
</tr>
<tr>
<td>(35)</td>
<td>Deputy Inspector General, Foreign Assistance.</td>
</tr>
<tr>
<td>(36)</td>
<td>Members, Civil Aeronautics Board.</td>
</tr>
<tr>
<td>(37)</td>
<td>Members, Council of Economic Advisers.</td>
</tr>
<tr>
<td>(38)</td>
<td>Members, Board of Directors of the Export-Import Bank of Washington.</td>
</tr>
<tr>
<td>(39)</td>
<td>Members, Federal Communications Commission.</td>
</tr>
<tr>
<td>(40)</td>
<td>Members, Board of Directors of the Federal Deposit Insurance Corporation.</td>
</tr>
<tr>
<td>(41)</td>
<td>Members, Federal Home Loan Bank Board.</td>
</tr>
<tr>
<td>(43)</td>
<td>Members, Federal Trade Commission.</td>
</tr>
<tr>
<td>(44)</td>
<td>Members, Interstate Commerce Commission.</td>
</tr>
<tr>
<td>(45)</td>
<td>Members, National Labor Relations Board.</td>
</tr>
<tr>
<td>(47)</td>
<td>Members, Board of Directors of the Tennessee Valley Authority.</td>
</tr>
<tr>
<td>(48)</td>
<td>Members, United States Civil Service Commission.</td>
</tr>
<tr>
<td>(49)</td>
<td>Members, Federal Maritime Commission.</td>
</tr>
<tr>
<td>(50)</td>
<td>Members, National Mediation Board.</td>
</tr>
<tr>
<td>(51)</td>
<td>Members, Railroad Retirement Board.</td>
</tr>
<tr>
<td>(52)</td>
<td>Director of Selective Service.</td>
</tr>
<tr>
<td>(53)</td>
<td>Associate Director of the Federal Bureau of Investigation, Department of Justice.</td>
</tr>
<tr>
<td>(55)</td>
<td>Director, Bureau of Intelligence and Research, Department of State.</td>
</tr>
<tr>
<td>(56)</td>
<td>Director, Community Relations Service.</td>
</tr>
<tr>
<td>(57)</td>
<td>United States Attorney for the District of Columbia.</td>
</tr>
<tr>
<td>(58)</td>
<td>United States Attorney for the Southern District of New York.</td>
</tr>
<tr>
<td>(59)</td>
<td>Members, National Transportation Safety Board.</td>
</tr>
<tr>
<td>(60)</td>
<td>General Counsel, Department of Transportation.</td>
</tr>
<tr>
<td>(61)</td>
<td>Deputy Administrator, Federal Aviation Administration.</td>
</tr>
<tr>
<td>(62)</td>
<td>Assistant Secretaries of Transportation.</td>
</tr>
<tr>
<td>(63)</td>
<td>Director of Public Roads.</td>
</tr>
<tr>
<td>(64)</td>
<td>Administrator of the St. Lawrence Seaway Development Corporation.</td>
</tr>
</tbody>
</table>
§ 5316. Positions at level V

[Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is $36,000:]

(1) Administrator, Agricultural Marketing Service, Department of Agriculture.
(2) Administrator, Agricultural Research Service, Department of Agriculture.
(3) Administrator, Agricultural Stabilization and Conservation Service, Department of Agriculture.
(4) Administrator, Farmers Home Administration.
(5) Administrator, Foreign Agricultural Service, Department of Agriculture.
(6) Administrator, Rural Electrification Administration, Department of Agriculture.
(7) Administrator, Soil Conservation Service, Department of Agriculture.
(8) Administrator, Bonneville Power Administration, Department of the Interior.
(9) Administrator of the National Capital Transportation Agency.
(11) Associate Administrators of the Small Business Administration (5).
(15) Associate Administrator for Advanced Research and Technology, National Aeronautics and Space Administration.
(16) Associate Administrator for Space Science and Applications, National Aeronautics and Space Administration.
(17) Associate Administrator for Manned Space Flight, National Aeronautics and Space Administration.
(18) Associate Deputy Administrator, National Aeronautics and Space Administration.
(19) Deputy Associate Administrator, National Aeronautics and Space Administration.
(20) Associate Deputy Administrator of Veterans' Affairs.
(21) Archivist of the United States.
(23) Assistant Secretary of Agriculture for Administration.
(24) Assistant Secretary of Health, Education, and Welfare for Administration.
(26) Assistant Attorney General for Administration.
(27) Assistant Secretary of Labor for Administration.
(30) Assistant and Science Advisor to the Secretary of the Interior.
(31) Chairman, Foreign Claims Settlement Commission of the United States.
(32) Chairman of the Military Liaison Committee to the Atomic Energy Commission, Department of Defense.
(33) Chairman of the Renegotiation Board.
(34) Chairman of the Subversive Activities Control Board.
(35) Chief Counsel for the Internal Revenue Service, Department of the Treasury.
(36) Chief Forester of the Forest Service, Department of Agriculture.
(29) Commissioner of Customs, Department of the Treasury.
(32) Director, United States Fish and Wildlife Service, Department of the Interior.
(33) Commissioner of Food and Drugs, Department of Health, Education, and Welfare.
(34) Commissioner of Immigration and Naturalization, Department of Justice.
(35) Commissioner of Indian Affairs, Department of the Interior.
(37) Commissioner of Vocational Rehabilitation, Department of Health, Education, and Welfare.
(39) Director, Advanced Research Projects Agency, Department of Defense.
(40) Director of Agricultural Economics, Department of Agriculture.
(41) Director, Bureau of Mines, Department of the Interior.
(42) Director, Bureau of Prisons, Department of Justice.
(43) Director, Bureau of Land Management, Department of the Interior.
(44) Director, Geological Survey, Department of the Interior.
(46) Director, National Bureau of Standards, Department of Commerce.
(47) Director, National Institute of Standards and Technology, Department of Commerce.
(48) Director, National Bureau of Standards, Department of Commerce.
(49) Commissioner, United States Tentative Commission.
(50) Commissioner, Public Buildings Service, General Services Administration.
(51) Commissioner of Reclamation, Department of the Interior.
(52) Commissioner of Reclamation, Department of the Interior.
(53) Deputy Commissioner of Reclamation, Department of the Interior.
(54) Commissioner of Reclamation, Department of the Interior.
(55) Commissioner of Reclamation, Department of the Interior.
(56) Commissioner of Reclamation, Department of the Interior.
(57) Commissioner of Reclamation, Department of the Interior.
(58) Commissioner of Reclamation, Department of the Interior.
(59) Commissioner of Reclamation, Department of the Interior.
(60) Commissioner of Reclamation, Department of the Interior.
(61) Commissioner of Reclamation, Department of the Interior.
(62) Commissioner of Reclamation, Department of the Interior.
(63) Commissioner of Reclamation, Department of the Interior.
(64) Commissioner of Reclamation, Department of the Interior.
(65) Commissioner of Reclamation, Department of the Interior.
(66) Commissioner of Reclamation, Department of the Interior.
(67) Commissioner of Reclamation, Department of the Interior.
(68) Commissioner of Reclamation, Department of the Interior.
(69) Commissioner of Reclamation, Department of the Interior.
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(108) Commissioner of Reclamation, Department of the Interior.
(109) Commissioner of Reclamation, Department of the Interior.
(110) Commissioner of Reclamation, Department of the Interior.
(111) Commissioner of Reclamation, Department of the Interior.
§ 5305. Annual pay reports and adjustments

(a) In order to carry out the policy stated in section 5301 of this title, the President shall—

(1) direct such agent as he considers appropriate to prepare and submit to him annually, after considering such views and recommendations as may be submitted under the provisions of subsection (b) of this section, a report that—

(A) compares the rates of pay of the statutory pay systems with the rates of pay for the same levels of work in private enterprise as determined on the basis of appropriate annual surveys that shall be conducted by the Bureau of Labor Statistics;

(B) makes recommendations for appropriate adjustments in rates of pay; and

(C) includes the views and recommendations submitted under the provisions of subsection (b) of this section;

(b) (1) If, because of national emergency or economic conditions affecting the general welfare, the President should, in any year, consider it inappropriate to make the pay adjustment required by subsection (a) of this section, he shall prepare and submit to Congress before September 1 of that year such alternative plan with respect to a pay adjustment as he considers appropriate, together with the reasons therefor, in lieu of the pay adjustments required by subsection (a) of this section. The report transmitted to the Congress under this subsection shall specify the overall percentage of the adjustment in the rates of pay under the General Schedule and of the adjustment in the rates of pay under the other statutory pay systems.

(ii) * * * * * * * * * *

§ 134. Salary of the Vice President

The per annum rate of salary of the Vice President of the United States shall be [$59,500], to be paid monthly. The rate determined for such position under chapter 11 of title 5, as adjusted under this section, shall take effect on the first day of the month in which an adjustment takes effect under section 5305 of title 5 in the rates of pay under the
General Schedule. The salary of the Vice President shall be adjusted by an amount, rounded to the nearest multiple of $100 (or of halfway between multiples of $100, to the nearest higher multiple of $100), equal to the percentage of such per annum rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under section 305 of title 5) of the adjustment in such rates of pay. Such salary shall be paid on a monthly basis.

LEGISLATIVE REORGANIZATION ACT OF 1946 (2 U.S.C. 31)

COMPENSATION OF MEMBERS OF CONGRESS

SEC. 601. (a) The compensation of Senators, Representatives in Congress, Delegates from the Territories, and the Resident Commissioner from Puerto Rico shall be at the rate of $42,500 per annum each. The compensation of the Speaker of the House of Representatives shall be at the rate of $49,500 per annum. The compensation of the President pro tempore of the Senate, the Majority Leader and the Minority Leader of the Senate, and the Majority Leader and the Minority Leader of the House of Representatives shall be at the rate of $49,500 per annum each.

(b) The annual rate of pay for:

(A) each Senator, Member of the House of Representatives, and Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico (except as otherwise provided in subparagraph (B) and (C) of this paragraph);

(B) the President pro tempore of the Senate, the Majority Leader and the Minority Leader of the Senate, and the Majority Leader and the Minority Leader of the House of Representatives, and

(C) the Speaker of the House of Representatives, shall be the rate determined for such positions under section 305 of the Federal Salary Act of 1947 (2 U.S.C. 361-361), as adjusted by paragraph (3) of this subsection.

(3) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 305 of title 5, United States Code, in the rates of pay under the General Schedule, each annual rate referred to in subparagraph (1) shall be adjusted by an amount, rounded to the nearest multiple of $100 (or of halfway between multiples of $100, to the nearest higher multiple of $100), equal to the percentage of such annual rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under section 305 of title 5) of the adjustment in such rates of pay under the General Schedule.
§ 303. Public Printer and Deputy Public Printer: compensation

The compensation of the Public Printer is at the rate $89,750 per annum, and the compensation of the Deputy Public Printer is at the rate of $28,750 per annum.

§ 303. Public Printer and Deputy Public Printer: pay

The annual rate of pay for the Public Printer shall be a rate which is equal to the rate for level IV of the Executive Schedule of subchapter II of chapter 53 of title 5. The annual rate of pay for the Deputy Public Printer shall be a rate which is equal to the rate for level V of such Executive Schedule.

FEDERAL PAY COMPARABILITY ACT OF 1970 (84 Stat. 1946)

SENATE PAY ADJUSTMENTS

SEC. 4. (a) Each time the President adjusts the rates of pay of employees under section 5305 of title 5, United States Code, the President pro tempore of the Senate shall, as he considers appropriate—

(1) (A) adjust the rates of pay of personnel whose pay is disbursed by the Secretary of the Senate, and any minimum or maximum rate applicable to any such personnel; or

(B) in the case of personnel whose rates of pay are fixed by or pursuant to law at specific rates, adjust such rates (including the adjustment of such specific rates to maximum pay rates) and, in the case of all other personnel whose pay is disbursed by the Secretary of the Senate, adjust only the minimum or maximum rates applicable to such other personnel; and

(2) adjust any limitation or allowance applicable to such personnel; by percentages which are equal or equivalent, insofar as practicable, and with such exceptions as may be necessary to provide for appropriate pay relationships between positions, to the percentages of the adjustments made by the President under such section 5305 for corresponding rates of pay for employees subject to the General Schedule contained in section 5302 of such title. Such rates, limitations, and allowances adjusted by the President pro tempore shall become effective on the first day of the first pay period which begins on or after the day on which any adjustment becomes effective under such section 5305 or section 3(c) of this Act.

§ 303. Public Printer and Deputy Public Printer: compensation

The compensation of the Public Printer is at the rate $89,750 per annum, and the compensation of the Deputy Public Printer is at the rate of $28,750 per annum.

§ 303. Public Printer and Deputy Public Printer: pay

The annual rate of pay for the Public Printer shall be a rate which is equal to the rate for level IV of the Executive Schedule of subchapter II of chapter 53 of title 5. The annual rate of pay for the Deputy Public Printer shall be a rate which is equal to the rate for level V of such Executive Schedule.

FEDERAL PAY COMPARABILITY ACT OF 1970 (84 Stat. 1946)

SENATE PAY ADJUSTMENTS

SEC. 4. (a) Each time the President adjusts the rates of pay of employees under section 5305 of title 5, United States Code, the President pro tempore of the Senate shall, as he considers appropriate—

(1) (A) adjust the rates of pay of personnel whose pay is disbursed by the Secretary of the Senate, and any minimum or maximum rate applicable to any such personnel; or

(B) in the case of personnel whose rates of pay are fixed by or pursuant to law at specific rates, adjust such rates (including the adjustment of such specific rates to maximum pay rates) and, in the case of all other personnel whose pay is disbursed by the Secretary of the Senate, adjust only the minimum or maximum rates applicable to such other personnel; and

(2) adjust any limitation or allowance applicable to such personnel; by percentages which are equal or equivalent, insofar as practicable, and with such exceptions as may be necessary to provide for appropriate pay relationships between positions, to the percentages of the adjustments made by the President under such section 5305 for corresponding rates of pay for employees subject to the General Schedule contained in section 5302 of such title. Such rates, limitations, and allowances adjusted by the President pro tempore shall become effective on the first day of the first pay period which begins on or after the day on which any adjustment becomes effective under such section 5305 or section 3(c) of this Act.
§ 5. Salaries of justices

The Chief Justice and each associate justice shall each receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title.

§ 44. Appointment, tenure, residence and salary of circuit judges

(a) The President shall appoint, by and with the advice and consent of the Senate, circuit judges for the several circuits as follows:

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<tr>
<th>Circuit</th>
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<td>District of Columbia</td>
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(b) Circuit judges hold office during good behavior. Except in the District of Columbia, each circuit judge shall be a resident of the circuit for which he was appointed and thereafter while in active service.

(d) Each circuit judge shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title.

§ 135. Salaries of district judges

Each judge of a district court of the United States shall receive a salary of $30,000 a year.

The chief judge of the District Court for the District of Columbia shall receive a salary of $30,000 a year.

Each judge of a district court of the United States shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title.

§ 173. Tenure and salaries of judges

The chief judge and associate judges of the Court of Claims shall hold office during good behavior. Each shall receive a salary of $35,000 a year.

§ 213. Tenure and salaries of judges

Judges of the Court of Customs and Patent Appeals shall hold office during good behavior. Each shall receive a salary of $35,000 a year.

§ 252. Tenure and salaries of judges

Judge of the Customs Court shall hold office during good behavior. Each shall receive a salary of $20,000 a year.

§ 792. Commissioners

(a) The Court of Claims may appoint fifteen commissioners who shall be subject to removal by the court and shall devote all of their time to the duties of the office. The court shall designate one of the commissioners to serve at the will of the court as chief commissioner.

(b) Each commissioner shall receive basic compensation at the rate of $20,000 a year.

§ 68. Compensation of referees; referees' salary and expense fund; retirement of referees

(a) Referees shall receive as full compensation for their services a salary to be fixed by the conference, in the light of the recommendations of the council, made after advising with the district judges of their respective circuits, and of the Director, at rates not more than $50,000 per annum for full-time referees, and not more than $18,000 per annum for part-time referees.

Bankruptcy Act (11 U.S.C. 68)
compensation for their services salaries to be fixed by the conference, in the light of the recommendations of the council, made after advising with the district judges of their respective circuits, and of the Director, at rates, in the case of full-time referees, not more than the rate determined for such referees under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 365), as adjusted under section 621 of title 25, United States Code, and in the case of part-time referees, not more than one-half of such rate, as so adjusted. In fixing the amount of salary to be paid to a referee, consideration shall be given to the average number and the types of, and the average amount of gross assets realized from, cases closed and pending in the territory which the referee is to serve, during the last preceding period of ten years, and to such other factors as may be material. Disbursement of such salaries shall be made monthly by or pursuant to the order of the Director.

* * * * *

FEDERAL SALARY ACT OF 1967 (2 U.S.C. 365)

* * * * *

COMMISSION ON EXECUTIVE, LEGISLATIVE, AND JUDICIAL SALARIES

SEC. 225. * * *

(f) Function.—The Commission shall conduct, in each of the respective fiscal years referred to in subsection (b) (2) and (3) of this section, a review of the rates of pay of—

(A) the Vice President of the United States, Senators, Members of the House of Representatives, [and] the Resident Commissioner from Puerto Rico [3], the Speaker of the House of Representatives, the President pro tem of the Senate, and the majority and minority leaders of the Senate and the House of Representatives;

(B) offices and positions in the legislative branch referred to in subsections (a), (b), (c), and (d) of section 203 of the Federal Legislative Salary Act of 1964 (78 Stat. 415; Public Law 88-488);

(C) justices, judges, and other personnel in the judicial branch referred to in sections 402(d) and 403 of the Federal Judicial Salary Act of 1964 (78 Stat. 484; Public Law 88-488); and

(D) offices and positions under the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

Such review by the Commission shall be made for the purpose of determining and providing—

(i) the appropriate pay levels and relationships between and among the respective offices and positions covered by such review; and

(ii) the appropriate pay relationships between such offices and positions and the offices and positions subject to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.
H. R. 2559

Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Tuesday, the fourteenth day of January, one thousand nine hundred and seventy-five

An Act

To amend title 39, United States Code, to apply to the United States Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, to provide for cost-of-living adjustments of Federal executive salaries, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—POSTAL SERVICE

Sec. 101. Section 410(b) of title 39, United States Code, is amended—
(1) by striking out the word "and" at the end of paragraph (5);
(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon and the word "and"; and
(3) by adding immediately below paragraph (6) the following paragraph:
"(7) section 19 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 668)."

TITLE II—EXECUTIVE SALARIES

Sec. 201. This title may be cited as the "Executive Salary Cost-of-Living Adjustment Act".

Sec. 202. (a) Subchapter II of chapter 53 of title 5, United States Code, relating to Executive Schedule pay rates, is amended by adding at the end thereof the following new section:

"§ 5318. Adjustments in rates of pay

"Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of this title in the rates of pay under the General Schedule, the annual rate of pay for positions at each level of the Executive Schedule shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100), equal to the percentage of such annual rate of pay which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustment in the rates of pay under the General Schedule."

(b) (1) That part of section 5312 (relating to level I of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level I of the Executive Schedule applies to the following positions for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 5, as adjusted by section 5318 of this title":

(2) That part of section 5313 (relating to level II of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:
"Level II of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title."

(3) That part of section 5314 (relating to level III of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title."

(4) That part of section 5315 (relating to level IV of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title."

(5) That part of section 5316 (relating to level V of the Executive Schedule) of title 5, United States Code, immediately below the section heading and immediately above clause (1) is amended to read as follows:

"Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title."

(6) The analysis of subchapter II of chapter 53 of title 5, United States Code, is amended by adding the following new item at the end thereof:

"This new item is for the implementation of the adjustments in the rates of pay under the Executive Schedule.

(c) (1) Subsection (a) of section 5305 of title 5, United States Code, relating to annual pay reports, is amended by adding at the end thereof the following new sentence:

"The report transmitted to the Congress under this subsection shall specify the overall percentage of the adjustment in the rates of pay under the General Schedule and of the adjustment in the rates of pay under the other statutory pay systems."

(2) Subsection (a) (1) of section 5305 of title 5, United States Code, relating to annual pay reports, is amended by adding at the end thereof the following new sentence:

"The report transmitted to the Congress under this subsection shall specify the overall percentage of the adjustment in the rates of pay under the General Schedule and of the adjustment in the rates of pay under the other statutory pay systems."

Sec. 203. Section 104 of title 3, United States Code, relating to the rate of salary of the Vice President, is amended by striking out "$62,500, to be paid monthly." and inserting in lieu thereof the rate determined for such position under chapter 11 of title 2, as adjusted under this section. Effective at the beginning of the first month in which an adjustment takes effect under section 5305 of title 5 in the rates of pay under the General Schedule, the salary of the Vice President shall be adjusted by an amount, rounded to the nearest multiple of $500 (or if midway between multiples of $100, to the nearest higher multiple of $100), equal to the percentage of such per annum rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5)
H. R. 2559—3

of the adjustment in such rates of pay. Such salary shall be paid on a monthly basis.

Sec. 204 (a) Section 601 (a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) is amended to read as follows:

"Sec. 601. (a) (1) The annual rate of pay for—

(A) each Senator, Member of the House of Representatives, and Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico,

(B) the President pro tempore of the Senate, the majority leader and the minority leader of the Senate, and the majority leader and the minority leader of the House of Representatives, and

(C) the Speaker of the House of Representatives,

shall be the rate determined for such positions under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by paragraph (2) of this subsection.

(2) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule, each annual rate referred to in paragraph (1) shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100), equal to the percentage of such annual rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustment in the rates of pay under the General Schedule."

(b) Subsections (a) through (d) of section 203 of the Federal Legislative Salary Act of 1964 (78 Stat. 415), relating to the annual rate of pay of certain legislative officials, are amended to read as follows:

"Sec. 203 (a) The compensation of the Comptroller General of the United States shall be at an annual rate which is equal to the rate for positions at level II of the Executive Schedule of subchapter II of chapter 53 of title 5, United States Code.

(b) The compensation of the Deputy Comptroller General of the United States shall be at an annual rate which is equal to the rate for positions at level III of such Executive Schedule.

(c) The compensation of the General Counsel of the United States General Accounting Office, the Librarian of Congress, and the Architect of the Capitol shall be at an annual rate which is equal to the rate for positions at level IV of such Executive Schedule.

(d) The compensation of the Deputy Librarian of Congress and the Assistant Architect of the Capitol shall be at an annual rate which is equal to the rate for positions at level V of such Executive Schedule."

(c) (1) Section 303 of title 44, United States Code, relating to the compensation of the Public Printer and Deputy Public Printer, is amended to read as follows:

"§ 303. Public Printer and Deputy Public Printer: pay

"The annual rate of pay for the Public Printer shall be a rate which is equal to the rate for level IV of the Executive Schedule of subchapter II of chapter 53 of title 5. The annual rate of pay for the Deputy Public Printer shall be a rate which is equal to the rate for level V of such Executive Schedule.

(2) The item relating to section 303 in the chapter analysis for chapter 3 of title 44, United States Code, is amended to read as follows:
(d) Section 4(d) of the Federal Pay Comparability Act of 1970 (84 Stat. 1952) is amended by striking out "level V" and "section 5316" and inserting in lieu thereof "level III" and "section 5314", respectively.

Sec. 205. (a) (1) Chapter 21 of title 28, United States Code, relating to general provisions applicable to courts and judges, is amended by adding at the end thereof the following new section:

"§ 461. Adjustments in certain salaries

"(a) Effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5305 of title 5 in the rates of pay under the General Schedule (except as provided in subsection (b)), each salary rate which is subject to adjustment under this section shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100) equal to the percentage of such salary rate which corresponds to the overall average percentage (as set forth in the report transmitted to the Congress under such section 5305) of the adjustments in the rates of pay under such Schedule.

"(b) Subsection (a) shall not apply to the extent it would reduce the salary of any individual whose compensation may not, under section 1 of article III of the Constitution of the United States, be diminished during such individual's continuance in office."

(b) (1) Section 5 of title 28, United States Code, relating to salaries of justices of the Supreme Court, is amended to read as follows:

"§ 5. Salaries of justices

"The Chief Justice and each associate justice shall each receive a salary at annual rates determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title."

(b) (2) Section 44(d) of title 28, United States Code, relating to salaries of circuit judges, is amended to read as follows:

"(d) Each circuit judge shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title."

(b) (3) Section 135 of title 28, United States Code, relating to salaries of district judges, is amended to read as follows:

"§ 135. Salaries of district judges

"Each judge of a district court of the United States shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title."

(b) (4) The second sentence of section 173 of title 28, United States Code, relating to salaries of judges of the Court of Claims, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title."

(b) (5) The second sentence of section 218 of title 28, United States Code, relating to salaries of judges of the Court of Customs and Patent Appeals, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title."
H.R. 2559-5

Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title."

(6) The second sentence of section 252 of title 28, United States Code, relating to judges of the Customs Court, is amended to read as follows: "Each shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title."

(7) So much of the first sentence of section 722(b) (relating to salaries of Court of Claims commissioners) of title 28, United States Code, as precedes "and also all necessary traveling expenses" is amended to read as follows: "Each commissioner shall receive pay at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of this title."

(8) The first sentence of section 40a of the Bankruptcy Act (11 U.S.C. 68(a)), relating to compensation of referees in bankruptcy, is amended to read as follows: "Referees shall receive as full compensation for their services salaries to be fixed by the conference, in the light of the recommendations of the councils, made after advising with the district judges of their respective circuits, and of the Director, at rates, in the case of full-time referees, not more than the rate determined for such referees under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted under section 461 of title 28, United States Code, and in the case of part-time referees, not more than one-half of such rate, as so adjusted."

Sec. 206. (a) Section 225(f)(A) of the Federal Salary Act of 1967 (2 U.S.C. 356(A)), is amended—

(1) by inserting "the Vice President of the United States," immediately before "Senators;"

(2) by striking out "and" immediately after "Representatives;" and

(3) by inserting immediately before the semicolon a comma and the following: "the Speaker of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of the Senate and the House of Representatives"

(b) Until such time as a change in the rate of pay of the offices referred to in the amendment made by subsection (a) of this section occurs under the provisions of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as amended by subsection (a) of this section, such rates of pay shall be the rates of pay in effect immediately prior to the date of enactment of this Act, as adjusted under sections 203 and 204 of this title.

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.
August 1, 1975

Dear Mr. Director:

The following bills were received at the White House on August 1st:

H.R. 2559 □
H.R. 2886 □
H.R. 8568 □
H.R. 8597 □
H.R. 8714 □

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D.C.