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ONE HUNDRED ELEVENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

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November 30, 2010

The Honorable Gary Locke
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Secretary Locke:

I write in reference to my March 3, 2010, letter requesting information related to increases in the number of Department of Commerce employees reaching the highest levels of government pay scales as well as the potential use of funding from the American Recovery and Reinvestment Act of 2009 to augment already-high federal salaries (*see* Attachment A).

As of this date, the Department of Commerce has provided no response. Committee staff has attempted numerous times to contact Department staff by phone and email. The Department has not returned a single phone call or responded to an email from my staff. The information that I requested is publicly available and would be disclosed under the Freedom of Information Act. Please explain why the Department has not provided this information in response to my request. The lack of response from the Department undercuts President Obama's promise of a transparent administration, and reflects poorly on your management, particularly since we have received detailed responses from every other federal department and agency within the Committee's jurisdiction.

Therefore, please provide the requested information to me immediately.

Sincerely,



Joe Barton
Ranking Member

Enclosure

cc: The Honorable Henry A. Waxman, Chairman

The Honorable David R. Obey, Chairman
Committee on Appropriations

The Honorable Jerry Lewis, Ranking Member
Committee on Appropriations

Todd J. Zinser, Inspector General
U.S. Department of Commerce

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March 3, 2010

The Honorable Gary Locke
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Secretary Locke:

I write regarding recent press reports that used data from the Office of Personnel Management (OPM) to highlight (1) large increases in the number of federal employees earning \$100,000 or more annually, and (2) a large increase in the number of these employees reaching the highest levels of government pay scales. For example, in one case, in 2007, a large agency had only one person making \$170,000 annually. Two years later, this agency reported nearly 1,700 employees earn at least \$170,000 annually.

According to *USA Today*, “the growth in six-figure salaries has pushed the average federal worker’s pay to \$71,206, compared with \$40,331 in the private sector.” (See Attachment A.) In addition, *The Washington Examiner* noted that “federal employees making salaries of \$100,000 or more jumped from 14% to 19% during the recession’s first 18 months.” (See Attachment B.) This disparity between public and private-sector compensation for comparable work leads us to question the basis for these salaries and raises, especially during an economic recession when countless Americans have either lost their jobs or must accept sharp reductions in pay to keep their jobs.

I would also like to know if any funding from the American Recovery and Reinvestment Act of 2009 – known commonly as “the stimulus” – was used to augment already-high federal salaries rather than to stimulate the lagging private sector or to fund critical infrastructure projects. According to reports, this problem has already been seen at the State and local level. Specifically, public universities in both California and Arizona recently used stimulus money to supplement yearly raises while reporting back that they had created jobs. Incidents such as these

raise serious concerns about how stimulus funding is being allocated and whether recovery funds were specifically allocated to cover salaries and expenses within your particular agency.

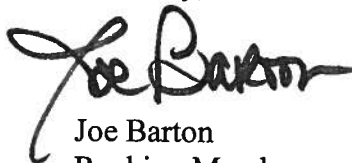
I want to better understand the rationale for providing raises to your department's employees, especially to those employees who were already at the top end of the federal pay scale. Accordingly, I request that you provide written responses to the following questions or requests no later than two weeks from the date of this letter.

1. How many total employees does your agency presently employ?
 - a. How many total employees did your agency employ at the end of fiscal years 2007, 2008, and 2009?
2. How many new employees did your agency hire in both calendar and fiscal year 2009?
 - a. For each of these new hires, please list the new hire's position or job title, department or office assignment, salary, and whether this job relates to the American Recovery and Reinvestment Act.
3. How many employees in your agency presently receive compensation, inclusive of all bonuses, of \$100,000 or more for the fiscal year?
 - a. Please list each employee's job title and department or office assignment.
 - b. Please also include the same data for both calendar and fiscal years 2007, 2008, and 2009.
4. How many employees in your agency presently receive compensation, inclusive of all bonuses, of \$140,000 or more for the fiscal year?
 - a. Please list each employee's job title and department or office assignment.
 - b. Please also include the same data for both calendar and fiscal years 2007, 2008, and 2009.
5. How many employees in your agency presently receive compensation, inclusive of all bonuses, of \$180,000 or more for the fiscal year?
 - a. Please list each employee's job title and department or office assignment.
 - b. Please also include the same data for both calendar and fiscal years 2007 and 2008.

6. What is the average pay of all full-time SES employees in your agency at the conclusion of calendar and fiscal year 2009?
 - a. Please also include the same data for both calendar and fiscal years 2007 and 2008.
7. Please list every employee (including job title and department or office assignment) who in some capacity is responsible for overseeing or managing American Recovery and Reinvestment Act funding or has any involvement with the grant process associated with funding from the American Recovery and Reinvestment Act.
 - a. For these employees, please identify those who were hired in calendar year 2009 or fiscal year 2010.
 - b. Please also include whether this individual will serve as a temporary or long-term employee.
8. Has your agency contracted or outsourced any of the duties associated with the handling, managing, allocation or grant process related to American Recovery and Reinvestment Act funds?
 - a. If so, please identify all companies or businesses involved, and include all affiliated documentation relating to their contract, hiring, payroll, obligations, and responsibilities.
9. Please list all professional service contracts or purchase orders for professional services with your agency for \$100,000 or more in any of the past three fiscal or calendar years. Please include the name of the contractor, the amount of the contract, and the total number of individuals, if known, included under the contract.

Should you have any questions, please contact Minority staff of the Committee on Energy and Commerce at (202) 225- 3641.

Sincerely,



Joe Barton
Ranking Member

Attachments

cc: The Honorable Henry A. Waxman
Chairman



For feds, more get 6-figure salaries

Updated 12/11/2009 12:15 PM

By Dennis Cauchon, USA TODAY

The number of federal workers earning six-figure salaries has exploded during the recession, according to a USA TODAY analysis of federal salary data.

Federal employees making salaries of \$100,000 or more jumped from 14% to 19% of civil servants during the recession's first 18 months — and that's before overtime pay and bonuses are counted.

Federal workers are enjoying an extraordinary boom time — in pay and hiring — during a recession that has cost 7.3 million jobs in the private sector.

PRIVATE INDUSTRY: Some companies restore raises, benefits

JOBS FORECAST: Track job growth across USA

PROS AND CONS: President Obama crafts strategies to create jobs

The highest-paid federal employees are doing best of all on salary increases. Defense Department civilian employees earning \$150,000 or more increased from 1,868 in December 2007 to 10,100 in June 2009, the most recent figure available.

When the recession started, the Transportation Department had only one person earning a salary of \$170,000 or more. Eighteen months later, 1,690 employees had salaries above \$170,000.

The trend to six-figure salaries is occurring throughout the federal government, in agencies big and small, high-tech and low-tech. The primary cause: substantial pay raises and new salary rules.

"There's no way to justify this to the American people. It's ridiculous," says Rep. Jason Chaffetz, R-Utah, a first-term lawmaker who is on the House's federal workforce subcommittee.

Jessica Klement, government affairs director for the Federal Managers Association, says the federal workforce is highly paid because the government employs skilled people such as scientists, physicians and lawyers. She says federal employees make 26% less than private workers for comparable jobs.

USA TODAY analyzed the Office of Personnel Management's database that tracks salaries of more than 2 million federal workers. Excluded from OPM's data: the White House, Congress, the Postal Service, intelligence agencies and uniformed military personnel.

The growth in six-figure salaries has pushed the average federal worker's pay to \$71,206, compared with \$40,331 in the private sector.

Key reasons for the boom in six-figure salaries:

- **Pay hikes.** Then-president Bush recommended — and Congress approved — across-the-board raises of 3% in January 2008 and 3.9% in January 2009. President Obama has recommended 2% pay raises in January 2010, the smallest since 1975. Most federal workers also get longevity pay hikes — called steps — that average 1.5% per year.

- **New pay system.** Congress created a new National Security Pay Scale for the Defense Department to reward merit, in addition to the across-the-board increases. The merit raises, which started in January 2008, were larger than expected and rewarded high-ranking employees. In October, Congress voted to

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end the new pay scale by 2012.

- **Paycaps eased.** Many top civil servants are prohibited from making more than an agency's leader. But if Congress lifts the boss' salary, others get raises, too. When the Federal Aviation Administration chief's salary rose, nearly 1,700 employees' had their salaries lifted above \$170,000, too.

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The advertisement features the USA TODAY logo at the top left, followed by the word "AutoPilot" in a large, bold font with an airplane icon to its right. Below this, a smartphone displays the app's interface, showing a news feed with headlines such as "DPA to SAD Landed" and "Washington (left)". To the right of the phone, the text reads "The new travel app for iPhone® and iPod touch®". Below this text is a logo for "Presented by: Hampton". At the bottom right of the ad, it says "SEE HOW IT WORKS >>".

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Politics

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Federal salaries targeted as private sector pay stagnates

By: **Julie Mason**
 Examiner White House Correspondent
 December 18, 2009

With the economy and joblessness looking grim for many Americans, federal workers are suddenly in the cross hairs — with a likely pay raise on the way and six-figure salaries on the rise.

House members this week approved and sent to the Senate a budget resolution that includes a 2 percent raise for federal civilian employees. President Obama, who recommended the raise, is expected to sign it.

While many workers in the private sector have despaired of a pay increase in the past few years, Congress takes care of federal employees with annual raises, awarding 3.9 percent in 2009, 3.5 percent in 2008 and 2.7 percent in 2007.

The average pay for the nation's 1.9 million federal workers is a little over \$71,000, with the 372,041 federal workers in the Washington area earning an average of \$94,047. The average salary for the nation's 108 million private-sector workers is \$50,028.

While the proposed pay increase for next year is relatively small, the boost combined with an increase in federal government salaries amid a looming budget deficit crisis and the nation's 10 percent unemployment rate managed to raise some eyebrows.

"I about fell off my chair when I saw that the number of federal employees making more than \$150,000 have more than doubled in the last 18 months," said Rep. Jason Chaffetz, a Utah Republican. "While the American people are hurting, the federal government is padding its pocket. This is totally inappropriate and unacceptable."

Chaffetz, ranking member on the subcommittee on Federal Workforce, Postal Service and the District of Columbia, is asking for a hearing on federal workers pay.

A story in USA Today earlier this week detailing an explosion in the number of federal government employees making over \$100,000 generated more than 1,700 comments on the newspaper's Web site — many of them disparaging the workers.

"Federal workers are always an easy target," said Jessica Klement, director of government affairs for the Federal Managers Association. "People think of the government bureaucrat with a job for life — but that doesn't tell the whole

<http://www.printthis.clickability.com/pt/cpt?action=cpt&title=Federal+salaries+targeted+as+private+sector...> 1/4/2010



Average pay for the nation's 1.9 million federal workers is about \$71,000. The 372,041 federal workers in the D.C. area average \$94,047. (photos.com)

Some of the nation's 1.9 million federal employees are doing pretty well, according to the Office of Personnel Management database. The best-paid categories of federal workers include physicians, veterinarians, lawyers and public information officers, among others

The governmentwide average salary for a public affairs officer is \$84,442. Providing legal counsel to the Peace Corps pays \$144,222; a podiatrist in the federal government is paid \$139,756.

The government database tracks the salaries of federal workers in the various Cabinet departments and federal agencies, excluding postal workers, the White House, Congress, the military and others.

The USA Today analysis said the number of federal workers earning more than \$100,000 a year increased from 14 percent in December 2007 to 19 percent in June 2009.

Klement said it's not unusual for highly skilled workers such as cancer researchers, administrative judges and others to make a good salary on the federal payroll. She said that overall, only 1 percent of the federal work force is making more than \$170,000 a year.

Obama earlier this year imposed a pay freeze on White House employees making over \$100,000 -- about one-third of the nearly 500-member executive office work force.

Obama's top lieutenants, including senior adviser David Axelrod, spokesman Robert Gibbs and Chief of Staff Rahm Emanuel, each are paid \$172,200 a year. The president is paid \$400,000.

imason@washingtonexaminer.com

Find this article at:

<http://www.washingtonexaminer.com/politics/Federal-salaries-targeted-as-private-sector-pay-stagnates-8665856-79571487.html>

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