



May 4, 2006

VIA FACSIMILE AND E-MAIL

Randi L. Mendelsohn
Assistant Director, HR Strategy &
Labor/Employee Relations
Federal Deposit Insurance Corporation
Washington, D.C. 20429

RE: National Grievance on 2006 Pay-for-Performance Increases for "Career Ladder"
Employees

Dear Ms. Mendelsohn:

On or about April 24, 2006, the Federal Deposit Insurance Corporation (FDIC) provided employees with Pay-for-Performance (PFP) increases for 2006. Section II.B.3 of the 2006–2009 FDIC-NTEU Compensation Agreement provides that these PFP increases will generally be provided in the form of base pay increases (combined with a 1% lump sum payment for Group 1 and 2 employees). Section II.B.3.b. provides an exception for employees in career ladder positions, whose PFP increases are provided solely in the form of a lump sum.

As you know from the negotiations over the new Compensation Agreement, this provision was intended to provide a benefit to employees who would otherwise lose the value of a PFP base pay increase when they receive a career ladder promotion within the following year. Subsequent to the completion of bargaining, however, the FDIC unilaterally established the scope of positions defined as "career ladder positions" to include a number of positions in which employees are not automatically eligible for promotion after one year. Applying this provision of the agreement to such positions is contrary to the meaning and intent of this provision, as expressed by the parties during bargaining. Pursuant to the terms of Section X. of the Compensation Agreement, NTEU therefore files this national grievance over the agency's action in applying the career ladder/lump sum provision established in Section II.B. of the agreement.

Among the positions that the FDIC have improperly included in applying the career ladder/lump sum provision of Section II.B.3.b. are a number of Grade 13/14 positions in the Division of Supervision and Consumer Protection (DSC). Inclusion of these positions or any other similar positions is improper where the employee does not have control over whether he or she will be eligible for promotion after one year (e.g., by demonstrating the ability to perform at

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the higher grade). In circumstances where the agency controls the employee's eligibility for receiving the promotion, such as by requiring a determination by management that there is work available at the higher grade, application of the "career ladder" lump sum provision is not appropriate.

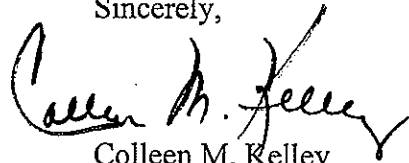
Pursuant to our rights under 5 U.S.C. §7114(b)(4), NTEU requests that the FDIC provide the following information, which is needed in order to properly prosecute this grievance:

1. A listing of all positions to which the FDIC applied the career ladder/lump sum provision of Section II.B.3.b. of the Compensation Agreement, identifying these positions by employee name, division/office, region, job title, series and grade level;
2. Copies of the current position description for all positions included under #1; and
3. For each position listed in response to #1, an indication of whether employees in that position are eligible for promotion to the next higher grade upon meeting the minimum qualifications for the higher graded position and demonstrating the ability to perform at the higher grade, or whether additional requirements outside the employee's control, such as the availability of work at the higher level, are imposed.

As remedy for the violation of the Agreement, NTEU requests the retroactive payment of PFP base pay increases (back pay plus interest) to employees whose positions were improperly included under the career ladder/lump sum provision. NTEU also seeks any other appropriate remedy available under law, rule or regulation, as well as attorneys' fees.

Please contact Stephen Keller, Senior Counsel for Compensation Negotiations, at (202) 572-5500, ext. 7026, at your earliest convenience to schedule a meeting to discuss this grievance.

Sincerely,



Colleen M. Kelley
National President

cc: Steve Keller