



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
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IN REPLY REFER TO:
12570
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From: Commander, Naval Sea Systems Command
To: Per Diem, Travel and Transportation Allowance Committee
Charter (PDTATAC) Chair, Mr. Anthony M. Kurta
Via: Director, Office of Civilian Human Resources

Subj: REQUEST FOR A JOINT TRAVEL REGULATION CHANGE AND
IMMEDIATE WAIVER FROM DEPARTMENT OF NAVY SHIPYARD
CIVILIAN EMPLOYEES IN SUPPORT OF MAINTENANCE
AVAILABILITIES

Ref: (a) UTD/CTD for MAP 118-13/CAP 118-13, Flat Rate Per Diem
for Long Term TDY

Encl: (1) Ramification of Long Term Temporary Duty Per Diem
Change

1. This letter requests the Department of Navy seek and obtain an immediate waiver from the change for all naval shipyard civilian workers on long term temporary duty (TDY) supporting Navy ship maintenance and a permanent change to the Joint Travel Regulation (JTR) exempting naval shipyard civilian workers from the long term flat rate per diem regulation. In reference (a), the Per Diem Travel and Transportation Allowance Committee implemented a change to the Joint Travel Regulation (JTR) that reduced the flat rate per diem rate for long term temporary duty (TDY) workers. The new flat rate per diem policy replaces the previous policy, which allowed up to 180 days of travel at 100% per diem rate, with < 30 days of travel at 100% per diem rate and 30-180 days of travel at 75% per diem rate.

2. This policy has already had a negative impact on the Naval Shipyards' ability to effectively and efficiently conduct Navy ship maintenance. This impact has the potential to increase the end cost of projects. Enclosure (1) describes in more detail negative ramifications and the associated impacts the long term TDY policy change is having on our naval shipyard workers.

3. NAVSEA leadership understands and fully supports reducing travel expenditures to the maximum extent possible. However, due to the unique nature of our business and the unintended

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consequences the recent JTR change is having on Navy ship maintenance, NAVSEA requests the Department of Navy seek and obtain an immediate waiver from and permanent change to the JTR long term TDY per diem policy. This waiver and change is requested for all naval shipyard civilian workers who are supporting Navy ship maintenance. NAVSEA requests the following change to reinstate the previous policy of travel at 100% per diem rate:

Add a new line 7 to JTR Chapter 4, Part B, Section 4, paragraph 4250, subparagraph B (Exceptions and Additional Factors) to read "7. Naval shipyard civilian employees traveling temporary duty in support of off-yard work (direct labor only) are exempt from Long Term Flat Rate Per Diem."

4. NAVSEA requests implementation of the permanent change NLT 30 September 2016. In the interim, NAVSEA requests a waiver of the long term flat rate per diem requirements of reference (a) for all Department of the Navy (shipyard) civilian employees traveling in support of maintenance availabilities occurring between 01 January 2016 to 30 September 2016, by 08 February 2016.



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Ramification of Long Term Temporary Duty Per Diem Change

Delivering ships and maintaining operational readiness of the Navy's assets is critical in the defense of our Nation. The mission of the Navy's four public shipyards is the overhaul, repair, and modernization of the Navy's fleet primarily for but not limited to nuclear powered aircraft carriers and submarines. Ship maintenance work is physically demanding as well as mentally complex. Naval shipyard civilian workers must be continuously focused as they navigate the daily challenge to maintain personnel and equipment safety and properly execute work to technical specifications. The systems they maintain, repair, upgrade, and operate are some of the world's most complex. Their work ensures the safety of tens of thousands of sailors and sustains the operational readiness of our Navy's fleet.

While most of this work is accomplished on ships in the shipyard, in the late 1990's the Navy began executing a significant amount of off-yard depot level maintenance in the ship's homeport. Maintaining the duty station of the crew provided significant financial benefit to the Navy and improved sailor's quality of life. For example, the cost estimate to change the duty station of an aircraft carrier and relocate the crew is approximately \$15.7M. Executing depot level maintenance in the homeport of the ship and crew required shipyards to mobilize large numbers of wage grade workers, sending them off station for extended periods of time. The effort to transition to this new business model was substantial. The shipyards had to manage travel and lodging for hundreds of workers simultaneously. Systems were developed to transport tools and equipment, leadership worked with trade unions and employees to address worker concerns and family hardships. All of the provisions of the JTR were leveraged to ensure the skilled workforce was onsite and ready to execute work. Using all these JTR provisions for the past 17 years has been key to executing off station availabilities on time with minimal A₀ loss and saving many millions of dollars by not having to relocate the crew.

Figures 1 and 2 illustrate the volume of off yard work and associated travel for naval shipyard employees during Fiscal Year (FY) 2014 and 2015, with 2015 alone totaling 6,890 employees on long term TDY of greater than 30 days.

Ramification of Long Term Temporary Duty Per Diem Change

Number of Employees

Shipyard	FY14	FY15
Portsmouth Naval Shipyard	1,404	811
Puget Sound Naval Shipyard & Intermediate Maintenance Facility	2,570	3,055
Pearl Harbor Naval Shipyard & Intermediate Maintenance Facility	179	106
Norfolk Naval Shipyard	54	57

Figure 1

Average Length of Travel (days)

Shipyard	FY14	FY15
Portsmouth Naval Shipyard	80	88
Puget Sound Naval Shipyard & Intermediate Maintenance Facility	70	93
Pearl Harbor Naval Shipyard & Intermediate Maintenance Facility	54	57
Norfolk Naval Shipyard	63	77

Figure 2

The recent changes to the JTR long term TDY policy have reduced per diem. This is jeopardizing the successful execution of off station availabilities and costing the Navy more than the intended savings. Reduced travel allowances have introduced inefficiencies and hardships for shipyard workers on long term TDY. Examples of some of these inefficiencies and hardships include:

Civilian employee desire to voluntarily travel has significantly declined. Because of the lower per diem

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allowances, employees feel at risk of paying expenses out of pocket. Forced long-term TDY is now common and negatively impacts ship maintenance efficiency, employee morale, and performance. Based on union contracts, forced travel may impose reverse seniority rules. This means that the most junior employees are often sent to perform highly technical work (TDY work is voluntary and the more experienced workers do not often volunteer). The less experienced workforce introduces an increased risk for first-time quality work performance and requires additional supervisory oversight during the TDY period at increased cost to the Navy.

Puget Sound Naval Shipyard & Intermediate Maintenance Facility (PSNS&IMF) estimates that 20% of the employees assigned to USS CARL VINSON six month overhaul were forced to travel. PSNS&IMF has implemented processes to accurately capture future forced travel assignments as they expect the percentage of those forced to travel will continue to increase.

All four naval shipyards have bargaining unit agreements for TDY. These agreements define the length of time an employee can be forced to travel. The duration of the forced travel varies; some are four weeks, others may be 8 weeks, and some have no limit. Compliance with JTR requirements and bargaining unit agreements leads to undesirable turnover of civilian employee project team members, creating a loss in productivity and potentially impacting the delivery of ships to the Fleet.

Portsmouth Naval Shipyard (PNSY) has implemented a phased manning plan for bargaining and non-bargaining unit employees to account for turnover and change-out of personnel during a project. PNSY estimates a total of 1,489 change outs to occur during a project duration, due to bargaining unit agreements, increasing direct charges by 7,500 Man-Days (MD). Assuming the average turnover will take four days, it is expected that 1,500 sets of travel orders will be required to be processed for this one availability. Processing a typical travel order request and travel claim takes, generally, 1 MD. This is an additional administrative function overhead cost of 1,500 MDs. This results in a total impact of 9,000 MDs and an additional cost of \$7.6M.

The ability to find housing with food preparation amenities is crucial to long term TDY employees. Vacancy rates with these amenities are very low at common locations for off yard work;

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Yokosuka Japan, San Diego CA, Bremerton WA, Groton CT. Waiver approvals by the command's comptroller have been implemented when suitable housing at the approved rate is either not available or is substandard (i.e. located in more remote or even unsafe areas). This allows the use of full per diem rate for hotels until approved rate housing can be secured. This can increase the overall expenses to the individual because meals cannot be prepared at the hotel and dining out frequently exceeds the flat rate per diem.

The current flat rate per diem is not enough money to cover the TDY worker's daily expenses when the worker stays in a hotel. The average daily expense to stay in a hotel and eats at low-end restaurants in San Diego exceeds even the 100% per diem rate of \$64.00 by \$5.44 per day. Additionally, when temporary housing within JTR allowances are further from the work location, a longer commute time is required which can negatively impact workforce morale and performance; increasing personnel safety concerns.

Searching for housing within JTR limitations can delay duty assignments because the available housing is located in an undesirable location, is unsafe, or is unsuitable (without the required amenities). This delay impacts project planning and execution and adds uncertainty for the employee and their family, which negatively affects morale and willingness to travel.

The appearance of disparate treatment can also occur when leadership, whose travel routinely takes them to required meetings, for less than 30 days, are provided 100% of the M&IE. At the same time the wage grade ship maintenance workforce is required to travel for 90-180+ days and is thus restricted to 75% or 55% of M&IE. This has the potential to create significant morale issues which can impact the workers performance. Performance issues have been shown to slow production and decrease efficiency. These issues can cause schedule loss and possibly late delivery of ships to the fleet. In addition to the performance issues, this disparity between how leadership and the workforce is treated will likely harm relationships with the unions and continue to decrease the workforce morale.