



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

COMMISSION
CORRESPONDENCE

April 22, 1981



The Honorable William D. Ford
Chairman
Committee on Post Office and Civil Service
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This is in response to your letter of March 23, 1981 requesting information on the U.S. Nuclear Regulatory Commission's ability to recruit and retain top-level executives in light of the pay cap.

While we have not generated sufficient data to enable us to draw any broad conclusions, there are certainly indications that the continuing cap on executive pay is adversely affecting our ability to recruit and retain top-level executives.

Since July 1979, when the Senior Executive Service was established, we have filled seven executive positions from outside the agency. Significantly, all our new hires have come from other Federal agencies. None has come from private industry, despite our efforts to recruit from that sector. It would appear, therefore, that our pay incentive package is not competitive. During the same period, we have lost twelve executives -- three retired, three transferred to other agencies, and six resigned. We do not have complete information on why these persons left the Federal service; however, we may assume that the resignees left to accept better jobs in private industry. Furthermore, we understand several executives within the agency are currently entertaining offers from industry.

We have no ready solutions to these problems. With pay compression extending into grade 15, we are unable to administer an equitable pay system among our top executives. We had hoped that the bonus provisions of the Senior Executive Service system would enable us to relieve some of the inequity created by the pay cap. However, the limitations placed on bonuses last year made it difficult to administer the program.

We share your concern regarding the ability of the Federal Government to continue to attract the top talent it needs. We are hopeful that the pay problem can be resolved soon.

Sincerely,

Joseph M. Hendrie

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