



AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

Eric Bunn Sr.
National Secretary-Treasurer

Dr. Everett B. Kelley
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September 23, 2026

The Honorable Roger Wicker
Chairman
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Jack Reed
Ranking Member
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Mike Rogers
Chairman
House Armed Services Committee
2216 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Adam Smith
Ranking Member
House Armed Services Committee
2216 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Wicker, Ranking Member Reed, Chairman Rogers, and Ranking Member Smith:

On behalf of the American Federation of Government Employees, AFL-CIO (AFGE), which represents more than 800,000 federal and District of Columbia government employees in more than 70 agencies, including approximately 250,000 in the Department of Defense (DoD), I write to provide AFGE's views on H.R. 8800 and S. 4784, versions of the "National Defense Authorization Act for Fiscal Year 2027" that the Senate and House Armed Services Committees are expected to conference throughout the fall.

1. Protecting and Strengthening Section 1115 of H.R. 8800, offered by Rep. Don Norcross, which would prohibit the use of DoD funds to implement President Donald J. Trump's March 2025 Executive Order 14251, which eliminated collective bargaining agreements covering the DoD civilian workforce.

AFGE hopes that restoration of collective bargaining rights for DoD civilian employees will unite members of both chambers and both parties during NDAA negotiations. AFGE urges that conferees retain, at a minimum, Section 1115 of H.R. 8800. Further, AFGE urges that the provision be strengthened in conference to reflect the amendment Rep. Norcross originally planned to offer during markup. Just minutes before the House Armed Services Committee was due to consider it, the Congressional Budget Office (CBO) opined that the amendment in its original form violated budget rules — a position AFGE understands CBO may be reconsidering.

2. Elimination of Sections 1101 and 1102 of S. 4784 that would abolish the Federal Wage System (FWS) covering DoD civilian employees and authorize the Secretary of Defense to determine compensation.

Sections 1101 and 1102 would establish a new 10 U.S.C. § 1599k authority providing that the Secretary, "under the *sole and exclusive discretion* of the Secretary," (emphasis added) may set the pay of prevailing-rate employees at any "defense industrial base facility" (§ 2208(u)(3) —



defined as any DoD depot, arsenal, shipyard or plant) and shall establish a DoD-run job grading system for prevailing-wage federal employees. This authority would have a far-reaching and devastating effect on how DoD civilians are paid, displacing the Title 5 wage survey process — including the statutory role of labor organization representatives in wage surveys. Most troubling, the Secretary’s “sole and exclusive discretion” suggests that pay-setting and grading at DoD would be wholly nonnegotiable and potentially arbitrary, with the Secretary determining pay on a case-by-case basis to reward allies and punish perceived enemies.

3. Elimination of Sections 1118–1120 of H.R. 8800 that propose the creation of “demonstration projects” relating to pay and personnel policies covering up to 135,000 DoD civilian employees.

Sections 1118-1120 of H.R. 8800 would authorize the conversion of up to 135,000 DoD civilian employees working at Navy shipyards, Air Force ICBM facilities, and Army depots to a new compensation scheme establishing pay banding, broad classification authority outside government grading standards, and performance-based advancement. The provisions can be read to mean that after three years, instead of returning these employees to the General Schedule (GS) pay system that currently covers them, the demonstration projects would become permanent, resulting in 20 percent of DoD employees being permanently taken out of the GS system.

Significantly, this provision would effectively revive the National Security Personnel System, a DoD human resources framework established in 2004 to replace the traditional GS pay schedule and classification system with a pay-for-performance model that was repealed by Congress in 2009 when it became clear that it allowed DoD to bypass traditional rules concerning collective bargaining, appeals, and reduction-in-force procedures and risked creating pay inequities and inconsistent application of personnel rules.

4. Elimination of Section 1105 of H.R. 8800 and Section 513 of S. 4784 Providing Dual-Status Technician Conversion (Civilian-to-Military Work Shift)

These provisions propose to phase out the special DoD job classification — dual-status technicians — under which employees serve in the National Guard but are treated as federal civilian employees. The proposed phase out would strip over 30,000 dual-status technicians of Title 5 rights and protections and would direct them to be converted to Active Guard and Reserve (AGR) status full-time active-duty military personnel.

The dual-status technician program was created in 1968 under the National Guard Technician Act to provide a uniform set of rules and benefits for all technicians. Congress’s policy rationale for classifying dual-status technicians as federal civilian employees was that Reserve and National Guard units need full-time personnel during the week to organize, train, and maintain complex equipment so that part-time drilling members are combat-ready. Employing technicians via civil-service frameworks avoids the continuous overhead of maintaining a massive full-time active-duty force for tasks like depot-level maintenance and administration. As a distinct category of civilian employees, these technicians provide predictable logistical support without draining general active-component end-strength numbers. This rationale remains as valid today as it was when Congress created this program nearly 60 years ago. At a minimum, Congress *must*

study this issue and understand what its elimination would mean for military readiness and costs *before* deciding to take this drastic step.

5. Pay Adjustment for all DoD civilian employees for 2027.

Last month, President Trump sent a letter to Congress announcing the administration's alternative pay plan for federal employees for 2027. The letter calls for no pay adjustment — no increase in base pay or locality pay — for civilian federal employees from the 2026 rates. The only exception was made for federal law enforcement personnel, who are set to receive a 3.8 percent pay increase next year.

Federal employees, including DoD civilian employees, have recently endured a difficult period, marked by a sharp increase in the cost of living, government shutdowns, and the repeated efforts to strip away longstanding civil service protections. DoD civilian employees need a *pay adjustment of at least 3.8 percent* to meet the higher cost of daily necessities, including gas, groceries, and housing. It is vital that DoD pay competitive compensation to recruit and retain skilled employees, nearly half of whom are veterans.

AFGE thanks you for considering its views on these provisions. For questions or more information, please contact Sergio Espinosa at Sergio.Espinosa@afge.org.

Sincerely,

A handwritten signature in black ink that reads "Everett B. Kelley". The signature is fluid and cursive, with the first name "Everett" and last name "Kelley" clearly legible.

Everett B. Kelley
National President