



U.S. Department  
of Transportation

**Federal Aviation  
Administration**

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October 5, 1984

84-22

## **FAA'S C-123 TAKES LAST FLIGHT**





## 2 Cover Story

The Federal Aviation Administration's C-123 cargo airplane which flew over Alaska for more than 26 years departed Anchorage International Airport on its last flight at 8:30 a.m. on Thursday, August 9. Its destination was the Alaska Transportation Museum in Palmer, Alaska.

The large aircraft landed on the highway in front of the Palmer fairgrounds about 9:00 a.m. The highway was blocked to traffic by the Alaska State Troopers during the landing.

After landing the aircraft was taxied to its parking area on the fairgrounds by Elvin Jackson, captain, Dewey Martin, second officer, and Tim Jackson, engineer. Each of these men has been with the C-123 for ten or more years.

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If you have questions, suggestions, or complaints, please call the Editor at 271-5293.

Television crews from two Anchorage stations, KTVA (Ch. 11) and KTUU (Ch. 2), were on hand to interview Martin, the man on the far right of the cover photo.

The Fairchild C-123, numbered "N-98," was known as the "workhorse" by those who piloted and serviced it during the 26 years plus it provided service to "bush" Alaska. It was retired from service in 1983 by FAA because commercial airline service to rural Alaska is so reliable that it was no longer needed.

During its flying history, the C-123 regularly delivered personnel, groceries, and other cargo to FAA communications outposts throughout the state.

It was pressed into service in several Alaskan disasters and emergencies, including floods and the disastrous 1964 Alaska earthquake. On that occasion, the C-123 was flown virtually around the clock delivering food, equipment, medical supplies, and personnel to stricken Alaskan communities including Cordova, Valdez, Seward and Kodiak. The aircraft evacuated numerous sick and injured persons from towns and villages during the years it was in service.

The cargo aircraft rushed five huge generators to Cold Bay on Easter of 1982 after that community was blacked out in a power plant blaze. It also carried generators to McGrath in 1967, restoring power to that community.

It was used repeatedly to bring a fully-equipped clinic, including x-ray units, to remote communities so medical care and diagnosis could be carried out on the spot by FAA's flight surgeon, Dr. John Hepler, and his predecessor, Dr. Wendall Matthews.

N-98 took part in numerous air searches for missing or downed aircraft, including the extensive search in 1958 for the plane carrying Clarence Rhode, Alaskan Director of the U.S. Fish and Wildlife Service.

Is there any wonder that the C-123 was dubbed with the name "workhorse?"



## Medical Notes

by Mary Grindrod, R.N.  
AAL-300

Termination dust has been seen on the mountains. Now is the time everyone needs to start making plans to keep their bodies healthy and in good working order for the winter months ahead. One very important aspect is emotional well being. The medical division would like to share with you some of the attributes of emotionally healthy people.

1. Self-interest: They generally enjoy life and work toward eliminating unnecessary pain. They respect the rights of others because doing so generally aids in their own pursuit of self-interest. They accept themselves as important.

2. Self-direction: They are able to work independently on most problems and are able to formulate personal goals.

3. Tolerance: They believe in the "right to be wrong" as applied to themselves or to others. They tend to avoid blaming other people.

4. Acceptance of uncertainty: They acknowledge that much of life operates on a "chance" basis and they are willing to deal with circumstances in terms of "probabilities" of results. Therefore, they can accept unforeseen mishaps and don't get extremely upset when things "don't go right." They are more likely to view an unknown situation as potentially exciting rather than as a terrible, anxiety producing catastrophe.

5. Flexibility: They are willing to adjust both intellectually (to new ideas and concepts) and behaviorally (to the practical application of daily routines).

6. Commitment: They generally find something in life that they choose to make personally important. They might focus upon at least one major creative interest.

7. Risk-taking: They are willing to be adventurous and to pursue their sense of curiosity. This does not imply being foolhardy. Taking risk allows them more opportunity to expand their ranges of experience, creativity, and human potential.

8. Self-acceptance: They generally like themselves.

If some of these attributes of emotional health are not familiar to you, now would be a good time to start working on some of them.

## Hatch Act - Do's and Don'ts

The conventions are over, impassioned oratory fills the air, and the national, state and local campaigns are in full swing.

All of which prompts an election year reminder from the Office of Labor Relations that certain partisan political activities are governed by the Hatch Act.

Here is FAA's Labor Relations (ALR's) list of what federal employees may do: register and vote; assist in voter registration; express opinions; participate in non-partisan campaigns; attend fund-raising functions and contribute money; display political badges and attend political rallies; join a political club; and sign nominating petitions.

On the other hand, the Hatch Act says federal employees may not campaign for partisan candidates or political parties; register voters for one party only; make partisan speeches; be a partisan candidate; organize or manage rallies; be a political party officer; and participate in fund raising.





Area supervisor Bob Moore (left), Ketchikan Flight Service Station, presents Roger McDonald and Patrick Minsch Letters of Commendation for their emergency notification actions when Wien Flight 4 diverted to Ketchikan on August 3, 1984, with a heart attack victim. Roger also received a Special Achievement Award for his excellent performance during the past six months.



Gerry Dunn (right), manager, Dillingham FSS, and Charlie Muhs (right), manager, Anchorage FSS, receive certificates of recognition for the outstanding support and participation of these flight service stations in the General Aviation Accident Prevention Program for the Anchorage District Office. Tom Westall, manager, Flight Standards Division, AAL-200, presented the certificates.





Frank Turesko, a temporary hire at Bettles Flight Service Station, receives a Letter of Appreciation from Howard Johnson (left), maintenance mechanic, and Roger Barr (right), air traffic manager, for the work he did at the Bettles FSS. The letter, in part, reads, "You have carried out all assignments given you, whether the most menial or the most demanding, in the same dedicated and professional manner, and all have been completed within given time limits and with a minimum of supervision or instruction."



Carl E. Fundeen, manager, King Salmon Sector, was recently presented with the U.S. Department of Transportation's prestigious "Award for Meritorious Achievement" by Elizabeth Hanford Dole, Secretary of Transportation. The award is in recognition of Carl's outstanding leadership and accomplishments in fulfilling the department's mission.



Air traffic control specialist George Mills (left), Juneau Flight Service Station, was presented his 15-year career service pin by acting air traffic manager Al Hester.



Wilbur Smith, air traffic control specialist at Anchorage Flight Service Station, copies the last flight plan for FAA N-98 on August 9, 1984. See cover story for more on the "famed C-123."



Gene Wehe (right), air traffic control specialist, Juneau Tower, receives a Special Achievement Award for the performance of his assigned duties from Bob Nelson, manager.



## What Is A-76?

With so many positions going or being considered to go the A-76 way, the following article from the Aeronautical Center's INTERCOM will hopefully explain to you what A-76 really is.

A-76 is the number of the OMB Circular entitled, "Performance of Commercial Activities." It was originally developed in 1955 through a series of Bureau of the Budget bulletins. About a decade later, under the Office of Management and Budget, it was re-issued as OMB Circular A-76. Though there have been a number of revisions to the circular, the last one in 1983, the intent is still the same; the government should rely on private sources to supply the goods and services the government needs if it is economical to do so.

All sectors of the federal government have been mandated to examine functions and identify those that can be done commercially (by private industry).

All managers in government must examine functions within A-76 guidelines and list them in one of two categories: (1) can be done by commercial means, or (2) must remain within the operational purview of the government. The government satisfies requirements for commercial goods and services through contracts. Most contracts generate competition to obtain services or goods at competitively fair prices.

A-76 accomplishes this by requiring that each agency identify that portion of its work activity which is considered commercial or industrial in nature. Once that is done, cost comparisons are used to determine whether that function or activity will be done by commercial or government (in-house) personnel. The cost comparison is designed to select the most efficient and cost effective operation. The competitive process is conducted under A-76 and Federal Procurement Regulations to assure that competition is conducted within regulatory guidelines.

The government participates in the process as one of the competitors. A-76 sets out rules as to which costs are to be compared. All costs for conducting business will be included. The in-house estimate does not have to be based on how we're doing the work now. If the work can be done more economically (as specified in a work statement) with fewer people, or in a different manner, and management approves the change, that change becomes the basis for the government's bid. However, the low cost bidder must perform according to the work statement as set forth in the solicitation.

The employee will be involved in the process of developing the description of his or her work activity. This involvement permits the employee to help in establishing the lowest government cost for the price competition.



This newsletter is an informal method of providing information about aviation and the FAA to the employees in the Alaskan Region. It is not to be used as a substitution for formal directives, manuals or official memorandums.



## FAA Personnel Presented Awards

A flight service station specialist who gave his life during a heroic and successful rescue attempt last April 28 was among 27 FAA employees who were honored by Transportation Secretary Elizabeth Hanford Dole during DOT's Seventeenth Annual Awards Ceremony on September 12.

Griffin W. Holtzclaw of the Dothan, Alabama FSS was cited with the Medal for Valor for his part in the rescue of two young girls from the surf in Panama City, Florida. He already had rescued one swimmer when he went back for the second and was himself overcome. The second girl subsequently was rescued by an unknown swimmer who also brought Holtzclaw to a raft but was unable to revive him.

Also receiving the Medal for Valor was Lt. Gary Brown of the Dulles Airport Aircraft Rescue and Firefighting Company. He repeatedly entered a burning, smoke-filled building in Herndon, Virginia, and carried out three disabled persons. He was off duty at the time.

Eleven FAAers received DOT's Silver Medal. One of those was Alaska's own Carl E. Fundeen, sector manager, King Salmon AFS, for his outstanding leadership. Four more were honored for accomplishments in the Equal Employment Opportunity (EEO) field, and ten other employees were honored for their outstanding achievement and contributions in all areas.

Washington Report

## Search Is At Sit-Down Stage

The long search for a more functional and comfortable chair to accommodate air traffic control specialists on the job has reached the critical sit-down evaluation phase.

Two field controllers and three former working controllers in Washington headquarters are involved in the evaluation of sample chairs provided by companies that are bidding on the contract. They are Ed Ingalls, Houston Center; Linda Nelson, Milwaukee Tower; James Norton, Air Traffic; Jack Hancock, Program Engineering and Maintenance Service; and Margo Kaestner, Acquisition and Materiel Service.

The evaluation began September 11 and will run to October 19. It involves testing the chairs for comfort and design. FAA will make recommendations to the General Services Administration (GSA) following the evaluation with the successful bidder announced by the end of November. The agency plans to purchase some 8,400 chairs to accommodate different facility and job requirements.

Washington Report

## Warning - Don't Falsify T&A Records

The Office of Personnel and Training has a word of warning for FAAers. Don't falsify entries on Time and Attendance (T&A) Reports in order to pick up a little extra overtime or leave.

An FAA employee recently was asked to resign from the agency because of fraudulent overtime claims on T&As. The employee also was required to make a full reimbursement.

To guard against such abuses, the Uniform Payroll System routinely provides reports to supervisors which detail overtime payments. In addition, the Office of Inspector General (OIG) periodically audits agency records for overtime and leave abuse. The OIG has notified FAA that they are presently reviewing several possible fraud cases.

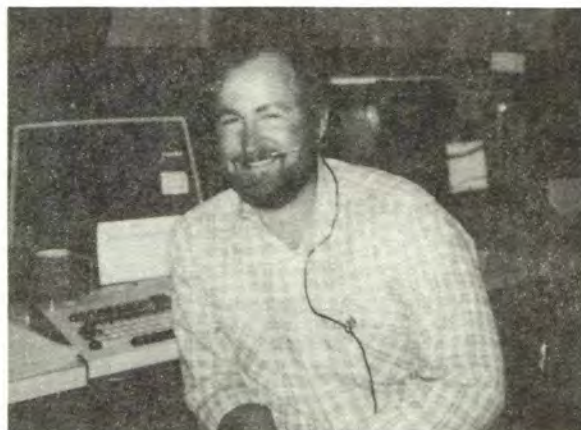
Therefore, supervisors are urged to carefully check T&As before signing them and to personally see they are forwarded directly to the servicing payroll office.

Washington Report





Thomas



Smith

Three air traffic control specialists from Anchorage Flight Service Station recently received Special Achievement Awards for their outstanding performance during the past year. Jo Ann Thomas received her award from supervisor Ed Bell, and Wilbur M. Smith and Dick Lehman received their awards from supervisor Torri Clark.



Lehman



Bobby Lamkin, evaluation specialist, AAL-514, receives an Outstanding Performance Award from his immediate supervisor Henry Dodd (right), manager, Plans/Programs and Evaluations, AAL-510, and Bob Harik (left), manager, Air Traffic Division, AAL-500.



Phil DePalmer recently retired from the Airway Facilities Division with more than 35 years in the federal government. He received his certificate at a cake and coffee held for him in the MIC room at the regional office. Phil's wife is in the background.





Ketchikan Flight Service Station specialist Conrad Suckow (left) receives a Letter of Commendation from area supervisor Bob Moore for his excellent performance at the inflight position.



Peggy Smith, manager, Programs Support Branch, AAL-420, receives her 25-year career service pin from Al Bruck, manager, Airway Facilities Division, AAL-400.



Walt Claxton (left), operations specialist, AAL-532, presents Bob Nelson, manager, Juneau Air Traffic Control Tower, with a Special Achievement Award for the performance of his assigned duties.

John A. Wilber, area supervisor, Anchorage FSS, recently received a Special Achievement Award for his outstanding performance this past year from his supervisor, Danny G. Syverson, assistant air traffic manager.





## Around the Region

Air traffic control specialist Tom Bullard went moose hunting early in September but the only thing that "died" on the trip was his boat motor. Tom had planned to overnight on a sandbar upriver, but observed a large bear track, a size 12FFF (Tom said it), and decided his best course of action was a hasty retreat to civilization.

Ten flight assist reports were received in the Air Traffic Division within a ten day period as of September 14, 1984. Evaluations personnel are reviewing the flight assist tapes and the first two have proven to be excellent according to Hank Elias, acting manager, Air Traffic Division.

Winter is here, or at least in some places. On Saturday evening, August 25, Northway got two inches of snow on the ground, at least for a while. Temperatures remained above freezing until August 28 when it hit a low of 28 degrees.

Merrill Tower has a best seller. Actually, since it is free it really is not a best "seller" but copies are going fast. Since March 3, 1984, personnel at Merrill have given out 2,804 copies of the Merrill Tower Pilot Bulletin as of September 12, 1984.

Killing a fox with a 737 does nothing for the pelt. It seems an early morning Wien flight in Kodiak felt a thump on its landing roll-out. A check of the aircraft turned up fur and blood on the front strut and wheel. Airport personnel found the owner - a fox. There was no damage to the aircraft, but the fox pelt was rubbed.

The Bethel FSS welcomes Sylvia Caldwell, area supervisor, who comes to Bethel from the Sitka FSS where she was a journeyman.

Welcome to Charlene Wilson, secretary, AAL-300. The Medical Division is looking forward to having Charlene after being without a secretary for over a month. Also welcome aboard to Theresa Piatkowski who has recently gone to work as a full-time aviation clerk at FSDO-63.

Several towers see an increase in air traffic:

- Nome traffic count for the month of August exceeded any month in the past 10 years according to Elwin Roberts, manager, Nome FSS. And it was done with 28 percent less workforce than at any other time since 1979.

- Bethel airport had 2,739 instrument operations during the month of August, a 67 percent increase over the previous record of 1,849 set in July 1984. According to Mark Caldwell, acting air traffic manager, Bethel Tower, the peak day came on August 16 when 343 instrument operations were run.

- Ron Barnes, manager, Merrill Tower, reported that controllers at the tower handled a total of 41,850 operations during August 1984 compared to 33,792 operations for August 1983. Although August was the busiest month on record, the busiest year on record was fiscal year 1977.

- Not to be outdone, Robert Nelson, air traffic manager, Juneau Tower, said that total traffic for the 12 month period ending August 31 was 100,641. This is the first time that Juneau Tower has exceeded 100,000 per year. The biggest increase was in air taxi operations followed by general aviation.

Congratulations to Victoria H. (Torri) Clark, former area supervisor at the Anchorage FSS, on her selection as the new manager of the Regional Communications Control Center (RCCC), AAL-6.





Employee Assistance Program

"He that won't be counselled, can't be helped."

Benjamin Franklin  
"Poor Richard" 1747

Problems often catch us unprepared. We tend to believe that we can handle anything, or worse yet, that problems are what other people have, not us. Wrong!

Problems with drugs/alcohol, children, spouse, financial difficulties, etc., surface when least expected and many times only with assistance can they be overcome.

Your Employee Assistance Program is available to help you work through any problem or concern you might have. It's well known that employees distracted or distraught with problems cannot simply shrug their shoulders and give 100% to job performance. As thinking, feeling beings, problems or concerns are with us at all times.

Thus, the agency recognizes the value of providing employees with the kind of assistance available under the Employee Assistance Program. Employees and the agency both benefit in terms of job performance when employees take steps to work through their problems.

Human Affairs, Inc. (HAI) has been FAA's employee assistance program contractor for the past year. During this time, they have assisted many employees in identifying and dealing with problems or concerns. Program services are available at no cost to employees and their dependents.

When the counselors determine that long term or specialized counseling is needed, they ensure the referral meets the client's particular need and they also consider any financial constraints. The primary concern is always ensuring that the employee or dependent receives the best care without creating a financial hardship.

Employees or dependents need not worry about confidentiality. Program services are evaluated through the use of an

anonymous questionnaire that is sent by HAI to the employee or dependent having utilized the program 45 days after the last visit/contact with HAI. The completed evaluation forms are then returned directly to the agency.

Employees and dependents using the services provided have written many positive comments. As one employee stated, "I'm thankful that FAA has made this service available. Otherwise, people like me might never have sought help. I didn't know where to get the help that I needed."

Employees or dependents requiring assistance need only pick up the phone and call HAI at 562-0794, or if you have questions about the program, they can be referred to Ernie Fleece, EAP Coordinator, AAL-16, x5367.

Remember, "No gift is more precious than good advice." - Erasmus

A rather timid fellow was put in charge of a department. The man was so afraid of making a mistake that he couldn't make a decision. Gradually the entire department ceased to function. After several weeks of inactivity an exasperated supervisor finally sent the fellow a note: "It has come to my attention that the department you have been given is not being used. Since you seem unable to find a purpose for it, we were wondering if you might be willing to loan it back to the company for a while. We need it."

BITS & PIECES  
August 1984



## HRC Visits Western Area

The Regional Human Relations Council's business meeting held in the Western Area from August 27-29 began with a very unusual visit to the tower cab at King Salmon. While in the tower the council members were informed that a U-2 was about to take off. If you have never seen one fly, ask any of the council members how awe-inspiring the sight was. Of course, tower manager Bob Davis and his team, who hosted the council meeting, took the matter in stride.

After the council's visit to the tower it met employees in the Flight Service Station and the Airway Facility Sector office.

Lunch was very productive. Besides being filling, two issues were brought up that the regional council will research and discuss at the next council meeting - emergency medical transportation and travel vouchers.

But back to the meeting at hand. Several issues were raised by council members; election of new council members, smoking in FAA facilities, air traffic release program, the Employee Assistance Program, the results of the national survey of FAA employees, performance evaluation credit for Employee Participation Group (EPG) and Human Relations Council (HRC) members, upcoming expiration of the National Human Relations Work Group, and significant changes in the agency human relations effort.

Dr. Bob Mitchell, AAL-1H, reported that the response by FAA employees to the national survey was much higher than anticipated, with many employees expanding on the survey questions on the back of the form. The responses are being collated.

The HR Council plans to meet at Anchorage ARTCC on September 25, 26 and 27. It has asked Elwood Hussey of the Financial Management section, AAL-34, to give a presentation on travel vouchers, and a member of Dr. Hepler's staff, AAL-300, to give a presentation on emergency medical

transportation. A third guest speaker will be Ernie Fleece, Labor Relations, AAL-16, who will give a briefing on the Employee Assistance Program.

Dick Brindley, (regional office); Cynthia Denman (Western Area); Tom Anderson, interim member (Southcentral Area); Herb Rollins, interim member (Anchorage Tower); and Bob Shepherd (Northern Area), were the HR Council members present for this meeting. Dr. Bob Mitchell, Mitch Clark and Connie Hunter from the Human Resources office, AAL-1H, provided advice and support.



## Merit Pay Workers To Get 3.5% Raise

The Office of Personnel Management (OPM) has announced that those rated "fully successful" or better will get the full 3.5 percent pay hike due to be paid to other general schedule employees in the first pay period in January.

By law, merit pay employees are guaranteed only 50 percent of the regular annual Federal pay raises and many get additional raises based on merit. OPM's decision to give them the full 3.5 percent was based on the fact that the raise was being delayed again this year from October to January.

Washington Report





The training branch, AAL-17, recently coordinated with the Management Training School in Lawton, Oklahoma, and arranged for the Work Group Facilitator course to be brought to the region. The course, designed for individuals who have been selected to become work group facilitators, was held in Anchorage August 6-10, 1984, with 15 participants receiving training. Jo Vickers and Larry Cope, the course instructors, considered the class extremely successful and were especially pleased to have Acting Director Don Keil present the graduation certificates to each participant.

Seated from left to right are Mitch Clark, AAL-1H; Melissa Berry, AAL-450E; Rosetta Francis Robinson, AAL-9; and Chuck Lund, FSDO-63.

Standing from left to right are Richard Arnold, Anchorage FIFO; Robie Strickland, AAL-600; Jonene Boggess (representing training, AAL-17); Jean Pershall, AAL-14D; Gretchen Feind, Ketchikan FSS; Susan Minton, Juneau AFS; Dick Freeman, AAL-463; Marge Tideman, AAL-10; Delores Metzger, AAL-30B; Joel Henkelman, Bethel AF; Elaine Morrow, AAL-531; William Bull, Nome AF; Jo Vickers and Larry Cope, instructors.



Have you ever seen a cartoon character in real life? Here is the "devil" in the body of Jim Washington, former manager of the Materiel Management Branch, AAL-52. Jim recently transferred to the FAA office in Washington, D.C. Here he tries to cut the cake at his cake and coffee.



Brent Bunch, air traffic assistant, ZAN ARTCC, was recently presented a Letter of Commendation for his exceptional service and willingness to assist whenever and wherever needed by Eleanor Williams, area supervisor.





# A reminder — your Civilair rep has membership cards, jackets, shirts, hats, and pins for sale!

## Back COLA To Be Returned

JB 11/16/84

In the years 1980-81, 1981-82 and 1982-83, the United States government reduced the Cost of Living Allowance (COLA) for federal employees in the Anchorage, Alaska, area. (See next two pages for details.)

Subsequently, a small group of federal employees (the "Steering Committee") challenged these reductions and after several court proceedings have won the return of the COLA that was withheld by the government.

According to Bennett McConaughy, one of several lawyers representing employees in the case, it is possible that those eligible to receive back COLA may receive it by February 15, 1985. But there are no guarantees. There are too many factors and too many agencies involved to give a definite date for payment. But it is coming.

McConaughy spoke at a rally at Elmendorf Air Force Base on Thursday, September 20, 1984, to about 60 federal employees who were interested in hearing what the lawyers had to say concerning the payment of back COLA.

Most of what was said is covered in the following two pages, but there is some information that was covered that is not in this material.

For those of you who worked for FAA in or near Anchorage, Alaska, from 1980 through 1983, and are not presently on the FAA payroll in the Anchorage area, you should write George Woodbury, Personnel Manager, AAL-10, Federal Aviation Administration, 701 C Street, Box 14, Anchorage, Alaska 99513 with your present address, the time frame you worked for FAA, where you worked within FAA, and your social security number. This will help insure you receive the paperwork that you need to verify what your back pay should be.

Also, if you worked for other agencies during this time, it would be to your best interest to write that agency or agencies with this same information.

One last comment is to say a big thank you to Bill Schmidtman, manager, Compensation Branch, AAL-15, for all of his work as a member on the Steering Committee. He has been on the committee since its inception in 1981 and has spent many hours working for each of you to get what you deserve. It is this kind of time and effort that will make many of you richer people.

\* wrote/mailed from SEA 10/18/84



## NOTICE

## TO CURRENT AND FORMER FEDERAL EMPLOYEES ENTITLED TO COST OF LIVING ALLOWANCES AND WHOSE WORK STATIONS ARE OR WERE WITHIN 50 ROAD MILES OF ANCHORAGE, ALASKA

Many federal workers stationed in or near Anchorage, Alaska, receive Cost of Living Allowances ("COLA") as a supplement to their base pay. During 1980-1983 the United States reduced the COLA for federal employees in the Anchorage, Alaska area. For employees using retail shopping and private housing, COLA was reduced from 25% (the statutory maximum) to 20% of base pay during 1980-81, and was set at 17.5% of base pay during 1981-82 and at 22.5% of base pay during 1982-83.<sup>1</sup> A lawsuit challenging the COLA reductions was commenced on February 27, 1981 on behalf of all employees of the United States and its agencies in the Anchorage area. *Susan Alaniz, et al. v. Office of Personnel Management, et al.*, United States District Court for the District of Alaska, No. A81-072 Civ. The class, through its court-approved representatives and lawyers, challenged the procedure under which the COLA had been reduced and the methodology by which the COLA had been computed. The objects of the lawsuit were to obtain judicial rulings that the procedure and/or methodology were improper, and to recover monetary damages for class members. The damages included the difference between the 25% COLA rate set by statute and the reduced COLA rates, plus interest, attorneys' fees and expenses.

The following class of plaintiffs was certified by the United States District Court for the District of Alaska on July 7, 1981:

All those persons who are now or at any time since February 10, 1980, have been employed by the United States or any federal agency at sites within fifty road miles of Anchorage, Alaska, or who become so employed prior to the entry of final judgment in this case, and who, while employed, receive a cost of living allowance in addition to basic pay in accordance with 5 U.S.C. § 5941, 5 C.F.R. §§ 591.201-213 and/or Executive Order No. 10,000.

After extensive trial court proceedings, the United States District Court for the District of Alaska held that the COLA had been reduced in a procedurally improper manner: i.e., that affected employees should have been given notice of changes to the methodology and rate, and an opportunity to comment or object before final adoption. However, the District Court rejected the challenges to the methodology by which the COLA was computed, and denied the requests for declaratory, injunctive and monetary relief. *Alaniz v. Office of Personnel Management*, 545 F. Supp. 1182 (D. Alaska 1982).

On appeal, the United States Court of Appeals for the Federal Circuit affirmed the District Court's decision in part, and reversed it in part. *Alaniz v. Office of Personnel Management*, 728 F.2d 1460 (Fed. Cir. 1984). The Federal Circuit upheld the District Court's rulings that OPM was required to provide notice and opportunity for comment regarding the COLA rate and methodology. It also held that the reductions to the COLA were invalid because they were not preceded by notice and opportunity for comment, and it remanded the case to the District Court for purposes of awarding back pay and conducting additional proceedings regarding declaratory and injunctive relief, attorneys' fees and interest.

An agreement (or "Stipulation") regarding payment of back pay has been reached by the Government and the representatives of the class. The Stipulation has been approved by the Court and is available for your inspection at the Clerk's Office, United States District Court, 701 C Street, Anchorage, AK 99513. *Susan Alaniz, et al. v. Office of Personnel Management, et al.*, United States District Court for the District of Alaska, No. A81-072 Civ. Under the terms of the Stipulation, the United States has agreed to pay the difference between the initial COLA rate and the reduced COLA rates (subject to deductions), under a specified procedure within specified time periods. The Stipulation provides that agencies ("COLA payors") shall mail letters to current and former employees within 120 days of August 31, 1984 (i.e., by December 29, 1984). The letters will include the COLA payor's computation of the amount of back pay due to you, and will ask you to verify the computation and your address. Under the terms of the Stipulation, you will have an opportunity to object to the COLA payor's computation. The letter will advise you how to do so. Payment will not be made until your address and the amount due to you are verified.

1. Different rates have been established depending on the shopping and housing arrangements of particular employees: Retail Shopping-Private Housing; Commissary Shopping-Private Housing; Retail Shopping-Federal Housing; Commissary Shopping-Federal Housing. Reductions in each category occurred during different periods and in different amounts. The rates and dates provided in this notice relate only to those employees paid under the Retail Shopping-Private Housing category. Information regarding the dates and reductions for those employees in other categories will be made available as stated in this notice, but can be earlier obtained by contacting one of the attorneys for the class:

Bennet A. McCaughy  
ROBERTS & SHEFELMAN  
4100 Seafirst Fifth Avenue Plaza  
Seattle, Washington 98104-3178



The Stipulation recognizes the right of the United States and its agencies to assert claims by way of setoffs against amounts it owes individual plaintiffs. The United States and its agencies may elect to assert such setoffs against back pay awards in this case. If the United States or one of its agencies has a setoff against you, your COLA award may be correspondingly reduced.

Prior to the institution of this lawsuit, a number of open public meetings for federal workers in the Anchorage area were held to discuss the reductions in the COLA rates. Large numbers of federal employees attended these meetings. All were invited to become class representatives or to join the COLA Steering Committee. On behalf of the class, the class representatives and the COLA Steering Committee retained attorneys to pursue the lawsuit. The agreement retaining the attorneys (the "Retainer Agreement") was presented to the Court at the time of class certification and is available for your inspection at the United States District Court for the District of Alaska, 701 C Street, Anchorage, Alaska. See Exhibit A to Affidavit of Dr. Paul Fuglestad, filed on or about May 4, 1981. *Alaniz, et al. v. Office of Personnel Management, et al.*, No. A81-072 Civ. The Steering Committee determined that the class would be best served if the attorneys were compensated only to the extent that a benefit was obtained for the class. Accordingly, the Retainer Agreement provides for a contingent fee based on the amounts recovered and any future benefit obtained as a result of the rulings on methodology and procedure. The Retainer Agreement provides for a 15% fee in the event the case was pursued through an appeal with additional district court proceedings (reduced percentages were established if the claims had been resolved at an earlier stage of the proceedings).

The Retainer Agreement also provides that the attorneys for the class will advance certain expenses to finance the litigation. The attorneys have incurred out of pocket expenses which have been partly paid by the Steering Committee out of contributions from federal employees to the COLA Defense Fund. Some expenses advanced by the attorneys have not been reimbursed. The Stipulation provides for a deduction of 15.5% to be made from the back pay awards and to be placed in escrow and used to pay attorneys' fees and expenses. One escrow account will be established for expenses and used to refund contributions to the COLA Defense Fund to the extent such contributions are traceable, to repay expenses advanced by the class attorneys, and to pay expenses incurred for the class in the future. A separate account will be established to pay attorneys' fees. All disbursements from the escrow accounts are subject to the approval of the Court. Plaintiffs' attorneys intend to file an application with the Court for disbursement of the attorneys' fee account in the amount of 15% of the back pay awards pursuant to the Retainer Agreement. Applications will also be made to reimburse expenses incurred by the class and its attorneys. If you have an objection to the payment of class expenses or attorneys' fees as described above and in the Retainer Agreement, you should address that objection in writing to:

Jo Ann Myres  
Clerk, United States District Court  
United States Courthouse  
Box 4  
701 C Street  
Anchorage, AK 99513

and

Robert G. Mullendore and  
Bennet A. McConaughy  
ROBERTS & SHEFELMAN  
4100 Seafirst Fifth Avenue Plaza  
Seattle, Washington 98104-3178

The Stipulation does not resolve the claims of the class for declaratory relief, for interest on the back pay, and for reimbursement from the United States for attorneys' fees, expenses and costs. Resolution of these claims may result in future distributions of funds to you.

This notice is published pursuant to order of the Court dated September 18, 1984.

COLA Steering Committee

Attorneys for Plaintiffs

By STERLING POWELL  
Sterling Powell, Chair

ROBERT G. MULLENDORE  
Robert G. Mullendore  
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BENNET A. MCCONAUGHY  
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