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1. DOCUMENT DESCRIPTION

a. TYPE <p align="center">Oral History</p>	b. TITLE LACEY, Mary 1-16-2009
c. PAGE COUNT <p align="center">53</p>	d. SUBJECT AREA National Security Personnel System History Project

2. AUTHOR/SPEAKER

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d. OFFICE NSPS Office	e. AGENCY DoD	

3. PRESENTATION/PUBLICATION DATA (Date, Place, Event)

January 16, 2009, Dahlgren, Virginia Oral History Interview

4. POINT OF CONTACT

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5. PRIOR COORDINATION

a. NAME (Last, First, Middle Initial)	b. OFFICE/AGENCY	c. TELEPHONE NO. (Include Area Code)

6. REMARKS

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Nov 29, 2017

Department of Defense
OFFICE OF PREPUBLICATION AND SECURITY REVIEW

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17-S-1553

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Office of the Secretary of Defense
Interview with Mary Lacey by Diane T. Putney Nov 29, 2017
January 16, 2009

Department of Defense
OFFICE OF PREPUBLICATION AND SECURITY REVIEW

Reviewed and approved by Mary Lacey
[Start of file: Lacey 16 Jan 09 Tape 1 Side A.mp3]

Diane Putney [Interviewer]: This is an oral history interview with Mary Lacey, the former Program Executive Officer, National Security Personnel System, Department of Defense. The interviewer is Diane T. Putney. It is January 16, 2009, and the interview is taking place in Dahlgren, Virginia.

The purpose of this interview is to record your experience, Mrs. Lacey, with the evolution of the National Security Personnel System, NSPS, at the Department of Defense. A transcript of the interview will be preserved as a permanent NSPS record and may be used as source material for a DoD history of the NSPS.

You should recognize these words because I think we --

Mary Lacey: We talked about them.

Diane Putney: Yes, we talked about them. So, each interview begins with this statement.

The first few questions are to provide background on NSPS, but most of the questions today are going to focus on your tenure as the PEO.

So here is the first question, and it's an easy one. Would you briefly describe your career and leadership experience up to the time when you were appointed the Technical Director of the Naval Surface Warfare Center?

Mary Lacey: I started my career in a technical career path. I am a mechanical engineer. I spent most of my career working in the science and technology end of the acquisition business. In that capacity, I was first elevated to a line management role and eventually became head of the Research Department as a Senior Executive at the Naval Surface Warfare Center (NSWC), the Dahlgren site.

From there I was transferred to the Indian Head Division of NSWC. At the Indian Head Division, they did a little bit of work in science and technology, but were much more in the full spectrum acquisition end of the business in the manufacture, design, and production of energetic materials. We were the supplier of last resort. As an example, we supplied all the torpedo fuel for the United States and 11 NATO nations. We were the only one in the world that did it because there is no profit in it anymore, so industry had walked away.

I had been sent into that position because my predecessor there had died unexpectedly, number one, and number two, the organization was embroiled in a fair amount of contentious -- I am not sure exactly how to describe it -- a very contentious

environment between labor and management. They were looking for someone who was a bit of a people person who could help reach out and get the workforce united again. I have a bit of a reputation for being predisposed to work with people to try and find a solution as opposed to approaching things from a decisive point of view. I was a good fit to go to Indian Head.

I was at Indian Head for three years, and while I was at Indian Head, I gained significant management experience. The organization was broke and had a very contentious relationship with its union, the head of which subsequently was elected the President of AFGE, the American Federation of Government Employees. I had lots of opportunity to interact with him while I was at Indian Head and subsequently at NSPS.

I spent about three years there and then was selected as the Technical Director of NSWC, which had many divisions, Dahlgren and Indian Head being two of them.

Diane Putney: Would you describe the Demonstration Project or the Alternative Personnel System you were involved with when you were the Technical Director of the Naval Surface Warfare Center?

Mary Lacey: Certainly. NSWC leaned forward in the early '90s to try and take advantage of some personnel flexibilities that the Congress was willing to give to the laboratory system. It was not just the Navy laboratories, but laboratories

throughout the Department of Defense. NSWC was designated as one of those experimental laboratories.

We worked very hard to craft a personnel system within NSWC and NUWC, Naval Undersea Warfare Center, that met some of the unique needs of the science and engineering workforce that we had and gave us a little more flexibility in terms of rewarding employees for good performance. We provided the opportunity to increase salaries and walked away from the within-grade kinds of things so that we could increase peoples' salaries at the end of the year as opposed to just getting bonuses.

We went to broad pay bands which turns out are very, very similar to the pay bands that we designed for NSPS partly because there are some natural pay bands in the distribution of pay across the department. Many of the features that were in our particular demonstration were also in other demonstrations. Every one of them (the demonstrations) was slightly different, but the basic features were the same. We incorporated virtually all of those into NSPS as we went through that whole development process.

Diane Putney: At the NSWC, what role did you and other managers have with the DoD Human Resources Best Practices initiative launched by Under Secretary David Chu in 2002?

Mary Lacey: We were heavily involved in it. When I was the Technical Director of NSWC -- in the 2002 time frame I became Technical Director -- I had as my Director of Personnel a woman by the name of Shirley Scott. She actually was the head of Personnel at the Indian Head division. I did not have one at NSWC headquarters -- I did not need one. My headquarters operation was only 18 people. I relied on Shirley to act as the agent of the entire organization, all 17,000 employees, and to act as the lead spokesperson on matters dealing with personnel.

Shirley was also the NSWC representative to the Best Practices working group, so we were involved. I think Shirley is certainly somebody you should interview if you have not yet, and she can give you her take on it, but the feedback I got, in general, was we were asked our opinion, and it was ignored.

The feedback I got was that many of the members felt that the answer was in the back of the book. The decision had already been made about what the Best Practices was going to look like. There was little opportunity to have influence on it.

Diane Putney: So there was not an ongoing relationship of give and take and a discussion . . .

Mary Lacey: There were meetings, but they were essentially told, "Here is the answer." They were given the opportunity to talk, but it was not heard.

Diane Putney: In April 2003 the Office of the Deputy Under Secretary of Defense for Civilian Personnel Policy, Ginger Groeber's office under David Chu, published a Notice in the *Federal Register* stating that the Best Practices would be adopted by Science and Technology Reinvention Labs across the board. Did the *Federal Register* Notice apply to the Surface Warfare Center? Was your center going to have to adopt, then, all of the Best Practices?

Mary Lacey: Apparently so. We were not consulted on that that I am aware of. It was going to be a little troublesome. We were not exactly sure how we were going to comply since there was no Best Practices design, and it did not incorporate our best practices. It was a little troublesome. There was tremendous resistance from myself as Technical Director of NSWC as well as my peers in the laboratory community about this.

There is another subtle reason why we (lab directors) were concerned. The law that we were operating under gave the Secretary the ability to delegate the authority to operate these personnel systems to the Directors of the laboratories and, in fact, the Secretary did that.

The *Federal Register* Notice for our particular laboratory demonstration gave the authority to me to operate the NSWC system. Here we had this Best Practice regulation that was going to say, "Here is how you operate your system." I had the authority to operate my system, so we had some disconnects in terms of the delegations of the authorities and how it was going to run, etc. etc. etc.

Diane Putney: I can see a little problem because conflicting regulations --

Mary Lacey: Correct. Generally the later one prevails, but nobody was going to give us any money to switch from the system we were in to this other Best Practices one which really had not been designed. There were no IT tools yet, and there were no computer systems to support paying people so we were concerned.

Diane Putney: I think, too, I had read in two separate official documents that that *Federal Register* Notice would have applied not only to the immediate 30,000 people that might have been under the demo projects, but as many as 150,000.

Mary Lacey: Correct.

Diane Putney: It was really ambitious.

Mary Lacey: It was. There were certain labs that were designated as STRLs, Science and Technology Research Labs. Not every lab-like organization in the Department of Defense got

itself declared one of those. They were not on the list of the ten of them.

For example, NSWC had a sister organization called NAWC, the Naval Air Warfare Center. They did not have the authority for our demo. They had their own special demo, but they had to go through all kinds of "Mother, may I" *Federal Register* Notices to change it.

SPAWAR, Charleston had nothing. The Space and Warfare Command at Charleston had absolutely nothing along those lines. We had inequities all across the lab system. What they were trying to do with Best Practices was make it applicable to everybody -- make the umbrella bigger so it could operate these special authorities, and that was a good thing.

The thing that was troublesome was that the opinions and experiences of the people that had been operating under these Alternative Personnel Systems, and in some cases for as long as 25 years, were really discounted.

Diane Putney: Did you or other managers at the Warfare Center provide any input to DoD officials as they were drafting the NSPS proposed legislation that they sent to Congress in April 2003?

Mary Lacey: Not that I know of. I was not asked, and I do not know if Shirley Scott was as my representative on that working group. I do not think she was. Frankly, I think that

was mostly done by Helen Sullivan and Tim Curry and Ginger Groeber and a few folks.

Diane Putney: On Capitol Hill, as Congress considered whether to pass the NSPS section of the National Defense Authorization Act for 2004, there was discussion about exempting the demonstration labs from NSPS. Did you or fellow managers have any input to members of Congress or their staffs about exempting the demonstration labs from the NSPS legislation?

Mary Lacey: That is a great question. I did not officially, and I was considered a pariah by some of my fellow laboratory directors because I wanted into NSPS, and several of the others wanted to stay out of NSPS. Notably, the Naval Research Laboratory, the Air Force Research Laboratory, and the Army Research Laboratory very definitely wanted to stay out of NSPS. Many differences between the two, but the largest difference being that under their demonstration programs, the authority was vested with the Technical Director; under NSPS it is not. There are some special authorities that they had in the laboratory program that they did not have under NSPS.

In the case of NSWC, it was okay to go to NSPS because we were a very different character than the research laboratories. We were more of a full spectrum organization. We also worked very, very closely with the systems commands who were going to

be going into NSPS. All other things being equal, we were more like the systems commands in the nature of our people and other things than we were like the research laboratories. We actually were comfortable going into NSPS, and the real cost to us of maintaining our own specialized system was not worth the miniscule gain that we saw that our demo system gave us.

Diane Putney: Did the NSPS statute exempt the Naval Surface Warfare Center from NSPS, and what was your reaction to the exemption?

Mary Lacey: It was over my objections, and I so stated those. I was very public. We had some meetings with the laboratory directors where they were soliciting our opinion. Interestingly enough, the guy over in OSD that was sort of honchoing the laboratories was a former employee of mine, Dr. James Short. He used to work for me, and we agreed to disagree. I told him many, many times that I wanted into NSPS. I wanted to see a rewrite the legislation that we give me the option of going into NSPS, but to no avail. We ended up lumped with all the rest of the labs.

When I was no longer head of NSWC, I actually did attempt to get Senator Voinovich to allow the laboratory directors to opt into NSPS if they wanted to, but was never successful in that.

Diane Putney: That would have been when you were PEO.

Mary Lacey: Correct, when I was PEO.

Diane Putney: We might get to that. Before you became the PEO, were you aware of the dissatisfaction coming from within the Department of Defense towards the NSPS implementation process from January to March 2004 before the strategic pause? The former Air Force Director for Human Resources stated that, "The service management and the components did not much like being force-fed a personnel system by OSD." The former Air Force Assistant Secretary for Manpower and Readiness stated, "NSPS almost died because it was an OSD run enterprise. The people at corporate headquarters were going to design it and issue it and the military services were just going to implement it. No partnership, no team work, no deep understanding of the complexity of this." Were you aware of the dissatisfaction towards the early NSPS?

Mary Lacey: I was. But, I will be honest with you, I was not paying much attention. The reason I was not paying much attention was because at that point in time the law had already excluded us, so it was not going to impact us. We were not going to be allowed to go into NSPS. I was running an organization of 17,000, the budget base in the billions, and I had plenty of other alligators biting me, so I was not paying a whole lot of attention.

That changed, and the reason it changed was because my civilian boss within the Navy -- really the civilian head of the Naval Sea Systems Command -- was very concerned about NSPS because it was going to affect the other 40,000 employees that he had within the Naval Sea Systems Command. He became one of those executives across the Department of Defense in the January through February/March time frame that was starting to talk across the agencies with each other and expressing dissatisfaction.

At staff meetings, which included lots of other executives at NAVSEA, I would hear them talking about it. But, again, I was not getting too upset or paying too much attention.

That all led up to the NSPS strategic pause and during the strategic pause, I became even more aware of it because Pete Brown was essentially pulled off-line full-time, and Pete's regular day job duties were pushed onto some of the other senior executives in NAVSEA.

I still was not paying any attention to the real substance that they were dealing with. The only thing I was doing was giving him historical information we had about our demo in terms of lessons learned and how we had designed our demo back in the mid '90s, the processes that we had used.

Diane Putney: This executive you mentioned that was concerned -- you have been talking about Pete Brown all along.

Mary Lacey: Pete -- yes --

Diane Putney: Finally he was pulled in to become the interim PEO.

Mary Lacey: Yes, Pete -- the Senior Executive of NAVSEA was indeed Pete Brown. During my day job, I had to pick up some additional load. Since we had run the largest Alternative Personnel System in the Department of Defense, he was picking our brain for what worked well, what did not work well, how did you design it, how did you train people.

It was more lessons learned, and it was really Shirley Scott who, my Director of Personnel, that had all the corporate history on that. We really became a resource.

Diane Putney: Sure, with that experience.

Mary Lacey: Yes.

Diane Putney: When and how were you drawn into the work of redesigning and implementing NSPS? Who first called you about it? Please tell the story of how you became the NSPS Program Executive Officer.

Mary Lacey: [*laughter*] The first inkling I got was a phone call from Pete Brown. He told me that they were going to start the process of looking for a PEO, and he was staying out of it. I said, "Okay, fine."

I paid absolutely no attention to it. As I recall, the first I heard about it was when my staff got a phone call from

someone in the ASN RDA office -- John Young was there at the time -- because they are thinking PEO and ASN RDA in Navy owns all PEOs and apparently my name had been put in.

I did not know until a couple years later who submitted my name. It was submitted by more than one person, because all the Senior Executives and Admirals were asked, and but one who apparently suggested me was RDML Brad Hicks, he was the Commander, my military boss, in NSWC. He apparently had submitted my name even though he did not want to lose me. I had the experience, and I was probably the right kind of person. .

Pat Adams, who was a DASN, Deputy Assistant Secretary of the Navy, apparently was another person who had suggested my name just because of my reputation. I do not know how else it got in there.

The next thing I know I get a phone call, and I am asked to come interview with this group which turns out to be the OIPT, which I guess you are familiar with, over in the Pentagon. I had just kind of heard the scuttlebutt that they are calling people in.

One of the things I did was call Pat Bradshaw, who was just a personal friend of mine and not working for the Department of Defense at the time. I said, "Pat, what do you

think? I mean, should I do this? Am I crazy? This is a personnel job. I am a line manager." We chatted about it.

I got called in for an interview and was told that they were looking for a PEO and a Deputy PEO. They felt that one of them needed to have solid HR background and one really needed to be a solid line manager, unless a miracle occurred and they find the same thing in one person.

Charlie Abell asked me which job I thought needed to be the PEO and which one the Deputy PEO, meaning the HR or line manager. Which one should be PEO. I answered, "I think it really depends on the person, that what you want as the PEO is someone who can really lead the whole thing." .

I do remember one very specific question in that interview which was very interesting and very telling, and perhaps may be one of the reasons why they decided that I had the chutzpah or backbone to do this job. It was Roger Blanchard, and I did not know his name at the time. He asked me what I thought was in this for the unions. I said, "Frankly, the way it is written, not much." The reaction on some peoples' faces that I was so blunt with my responses was interesting because the way they wrote this, there was a potential for there to be not much.

I was then called by Joann Drennan, who was Secretary England's Special Assistant, on the 4th of May. She wanted me to come in to interview with Secretary England on the 5th of

May. I asked if I could have it a couple days later because I was actually in San Diego when I got the phone call, receiving an award as the Federal Laboratory Director of the year. I could not get there in time unless I skipped the Awards Banquet

My interview with Secretary England was a very casual, very cordial conversation, and we talked what his expectations were, about my style, the way I deal with people. I asked him a couple questions about where he was willing to change directions, what he wanted to see. It was very clear he wanted to see a very inclusive approach, meaning inclusive with the Hill, inclusive with employees, inclusive with the senior leadership in the department, with the unions, with the good government groups, with OPM.

At that point in time, I had done some homework, but it was clear to me that it absolutely had to be done and it was actually going to require some serious work because once you break glass it is hard to put it back together again. I knew we were going to have to be rebuilding some relationships.

Diane Putney: Why do you think you were selected then?

Mary Lacey: I think I was selected partly because I had experience running large complex organizations and programs. Complexity matters. It really does. Quantity matters. I think it was Lenin -- not John Lennon -- but Lenin the dictator said, "Quantity has a quality all its own," and it really does.

Having managed very, very small organizations like the Program Office -- the Program Office was only 25 people at any given time -- and managing 17,000 really is different. Things that work in the small do not work in the large.

When you are talking about NSPS, you are talking about something that was going to be 450,000-600,000 people. They are not just numbers. They are people.

As part of my duties as Technical Director of an organization, I was responsible for the people and was operating an Alternative Personnel System that focused on rewarding people and allowing people to accelerate in their careers if they do things or even to choose to stay somewhat on the slow track for awhile for personal reasons. It was okay. I think I have a pretty good reputation around the Department of being a collaborative executive, looking for a way to get it done, a win/win, as opposed to a win/lose and drawn battle lines. That is my style. I think those things contributed to me being selected.

Diane Putney: How about your experience, as you mentioned before, with the unions?

Mary Lacey: I don't know. I would think that would be considered a pro even though the Indian Head (IH) situation was very contentious, it was incredibly ugly. I think the Navy would categorize the way the IH situation was when I

walked in was "the most contentious situation that they had." It certainly was, on a per capita basis, the largest number of grievances and complaints that had been officially filed. They were giving away the large per capita dollars based on losing and arbitrator costs and things like that. It was very, very ugly. It was on the front page of *The Washington Post*. It was bad news.

While I never got to what I would call a really friendly situation with Mr. Gage, at least the tensions between Labor and Management were significantly deflated and put back on the way to health, which required some real tough love with the managers and the union. I had managers that needed to be kicked into Sunday, there is no question about it, and I did it because it was the right thing to do. I have a low tolerance for bad behavior for the sake of bad behavior.

Diane Putney: This is John Gage, and at that time he was part of AFGE, but he was not the President yet.

Mary Lacey: He was the Vice President of AFGE 1923, which was the Indian Head Local, but it was also the local that represented employees at the Social Security Administration. I believe he was also the Regional Vice President of Area 12 -- Baltimore, Washington.

Diane Putney: You just finished speaking along the lines of this next question. Do you have a leadership philosophy, or

some core beliefs, or rules about effective leadership? If you recall, Secretary Rumsfeld had his Rumsfeld rules about leadership. Are there any Lacey rules for leadership?

Mary Lacey: I have never actually written them down, but there are a few things that people will hear me say all the time. First of all, "There is never a bad time to do the right thing."

I also like to remind folks that you should treat everybody as important because they are. Everybody is important. They would not be working for us if what they are doing is not important. Whether it is sweeping a floor, or making viewgraphs, or making what seem to be very powerful decisions, it is important.

Bad news does not get better with age.

I am very, very high on providing people the opportunity to succeed and to develop new skills. I firmly believe people need to learn something every day. Any little thing will do, but you need to learn something every day. It is part of that growth. If people are not growing in their jobs, then I think we as managers have failed them and, in fact, are failing our organizations because we are not taking advantage of the contributions people are capable of making. Those are a few of the philosophies I have.

Diane Putney: What directives did Secretary Gordon England give you? You mentioned that he wanted this broad approach and inclusiveness. Was there anything once he selected you that he told you he would like to see happen?

Mary Lacey: We have covered the inclusive. He really wanted it to be very inclusive. It would be better if I told you what he did not tell me or what he told me not to do because I think it is very important.

He did not want me to be exclusively time-driven. He wanted it event-driven, in other words, he wanted to move forward smartly. He did not want to do it by a date for just a date's sake. If there was a good reason to delay it, then I should delay it. He wanted to be event-driven.

He wanted me to keep him informed and use my judgment about using him when I needed to. He had no reluctance to engage, but did not want to get in the way. He wanted to make sure he was giving me the high cover, but he did not want me to have to "Mother, may I?" for absolutely everything. That was wonderful.

I only asked him to do a few things, and he did them. I needed him to make some phone calls while the Hill was voting. He interrupted his meeting and called into the cloakroom of the House. I did not abuse that. I reported to him regularly on

our progress, what I thought were the problems, and he told me to go do it.

Diane Putney: What were the first things you had to do as PEO? What were your immediate priorities now that you are PEO? You did have a vacation.

Mary Lacey: In fact, yes, that is a cute story. When I was walking out of the Secretary's office after my interview, he said he wanted to think about it, and he would let me know in a week to ten days. I said, "Thank you, Mr. Secretary, and I understand that it is a big decision for you to make and I appreciate that, but with all due respect, if I do not hear from you in a week, you are not going to be able to get hold of me for 10 days after that." I said, "I know you are a very, very important man, but there is one man in my life that is more important. It is my 25th wedding anniversary, and after next Friday I will be gone for a week and out of touch."

[laughter] Sure enough, he called me the following Friday to ask me to take the job, but, of course, to keep it quiet because they were going to go through an announcement process.

Back to what I needed to focus on. The wonderful thing about Pete Brown is that he is the world's most organized man and in the process of the strategic pause he had really outlined an event-driven set of things that needed to happen to

go through the design process and to get to the first publication of the *Federal Register*.

A lot of that was laid out. What I was very focused on for the first six to eight weeks was executing some of the things that had been teed up. I needed to have some meetings with senior advisors; I needed to have the OIPT meet; I needed to go around with Secretary England to talk to Congressmen so that he could introduce me and tell the Congressmen what we were doing and what we were doing that was different. I had some meetings set up to restart conversations with the unions. There were several of those that were all planned.

We needed to set up working groups to do a lot of the design. I wanted those groups staffed by subject matter experts in the HR areas of practice, which included EEO, Labor Relations, and Appeals, and line managers. I wanted a mix of subject matter experts on this. I did not want just the HR practitioner's view of the world. That is what had gotten us to where we were. I was adamant about ensuring that there was inclusion. I wanted people from all the Services. I did not want it just being people from the Fourth Estate. I wanted people from field activities, and I wanted people from headquarters and this and that. We wanted people from OPM, and we invited people from the Merit Systems Protection Board and

the Federal Labor Relations Authority and others to participate.

It was tricky to assemble, on short notice, people that would be willing to come to D.C. for eight weeks in the summer and work hard. That was a big chunk of what needed to be done in the first three months. Getting everybody geared back up again.

Diane Putney: One of the groups that was formed was the Senior Advisory Group.

Mary Lacey: Correct.

Diane Putney: Who were its members and what kinds of issues did they advise you on?

Mary Lacey: The Senior Advisory Group was one of the bodies that was formed that was a mix of senior line managers, executives and flag officers, general officers from, what I would call, the line management side of the house, as well as folks from the next level down on the HR side of the house, but still executives not political appointees. The OIPT, Overarching Integrated Product Team, was mostly political appointees. The Advisory Group was the people who were going to, on the day-to-day basis, be in charge of operating whatever it was that we designed and living with the consequences of what we designed. I used them to vet controversial issues when the design teams had gotten to the point where there was no

good answer, but there were a couple different options that had different consequences.

Before I would take it to the OIPT with my recommendation, I would take it to these people, that were going to have to operate these things, and seek their feedback, "What can you live with? What can you not live with? What might work better? Where do you need more flexibility?" I used them in that way as a sounding board of operators.

Diane Putney: Can you remember an example of something you might have taken to them that you just needed their feedback on?

Mary Lacey: Pay bands. Which grades do you lump together? In the field, for many field activities the working level is a 12, but at headquarters it is a 13. If you lump the 12s and 13s together, now you have all the people in the field -- it would be a lot easier for them to migrate to higher pay without taking on more responsibilities. Do you lump the 12s and 13s together, or do you lump the 11s and 12s together, the 13s and 14s? Where do you draw those lines?

Depending on your point of view, there was no ideal answer. That was one where I went to them. What are the real consequences? From a practical point of view, if we gave you this answer, what would you have to do to operate it properly in your organization?" What we were trying to do is talk

amongst ourselves and see if there was a showstopper or a compelling reason, one way or another, to pick a particular design feature.

Another example was how many points do we build into the system, how many points are going to be available, or how many shares are going to be available?

Diane Putney: Yes.

Mary Lacey: Do we have 6 shares? Do we have 12 shares? Do we have 29 shares? Do we have 120? We did all kinds of mathematical modeling, and there is no good reason for picking any particular one. The reason for narrowing it down to a handful had to do with what other processes you have to put in place or what unintended consequences you might end up with and that sort of thing. So that is another example. We had people who had grown up in the acquisition demonstration community. They used a lot of shares. They used something like zero to one hundred. That was how Best Practices was set up, I think.

The lab I grew up in used one through four shares. You had different cultures. It is not that one is better than the other; it is just they work a little bit differently, that is all.

Diane Putney: You met with members of Congress or their congressional staffs in the summer of 2004. What kinds of issues were discussed and coming from the Hill?

Mary Lacey: A lot of what was discussed at the Hill were the issues around DoD overreaching with the false start, and so a lot of it was going back and reassuring Congress that we were embracing this with a fresh set of eyes and openness. We intended to include the unions, intended to include OPM, other agencies, our managers, and our employees. There was a fair amount of that going on. Some of the professional staffers, and particularly the ones on the Senate Armed Services Committee, were somewhat chastising . . .

[End of file: Lacey 16 Jan 09 Tape 1 Side A.mp3]

[Start of file: Lacey 16 Jan 09 Tape 1 Side B.mp3]

Particularly some of the staff on the SASC were somewhat chastising and telling us they expected us to be much more open and not so overreaching with the provisions around Labor Relations and Employee Appeals. They were withholding judgment. "Okay, we will wait and see what it is that you do." That was much of what it was all about.

We had discussions with Senator Voinovich. Senator Voinovich was always very concerned about the laboratories, and Secretary England assured Senator Voinovich a number of times that we were not going to do any harm to the laboratories.

Diane Putney: Which members did you have to pay special attention to? You mentioned Voinovich.

Mary Lacey: Voinovich, Senator Collins. Senator Collins was a big help and a big supporter. Secretary England at the time was Secretary of the Navy, and the Secretary of the Navy is a very important man in Maine and in Virginia as well.

Senator Warner was also on the Senate Armed Services Committee. Secretary England had a great relationship with Senator Warner, and he would chat with him about it.

Senator Levin was another one that was quite vocal and very concerned and watchful of NSPS. He thought, and even still thought after we rewrote the regulations, that we had reached too far in limiting the rights and the ability of bargaining unit employees to have a say in certain matters. We had to be very careful about keeping Senator Levin informed.

Diane Putney: After it was designed, say from 2005 through 2008, did you frequently or infrequently have meetings with members of Congress? In 2004 you are introduced and you are trying to calm things down. How did it work in the few years after that.

Mary Lacey: Secretary England liked to keep them informed, so if there was a big event upcoming relative to NSPS, he might say, "It is time to go visit the Hill and visit a few people on the Hill. Give them an update on how it is going, what some new event might be." When we were going to

launch the first people into NSPS, to put the first 11,000 in, we went and talked to a few of the key Senators.

After the first payout the first year, we went over and talked to them and let them know how it went and some of the lessons we learned at a very high level and what we were going to do with them.

I do not want to speak for Secretary England, but his intent was to make sure that the members of Congress were kept informed, and I and Brad Bunn, my Deputy, kept the staff level very informed. I believe Secretary England wanted them to understand that he really was still involved in this. He was not walking away from it. It was not a flash in the pan. He was very much involved and was watching what was going on, and when something was not going right, was taking steps to fix it.

Diane Putney: You have mentioned the Overarching Integrated Product Team, the OIPT, and Charles Abell and George Nesterczuk were the first chairmen. How did you interact with them and the OIPT? Explain how the PEO worked with the OIPT.

Mary Lacey: They advised Secretary England, but they were my multi-headed supervisor. On a day-to-day basis they acted as a group supervisor of me.

I met with them in the beginning three times a week and would seek their advice, tell them what my plans were, what was going on. They would tell me what they liked about it and what

they did not like about it, and often I would bring things to them for their decision. I would ask, "What is your decision on this? What do you want to do?" They would give their decision.

Now, if I did not agree with their decision, I had every right to take it to my boss, Secretary England, and say, "I consulted with the OIPT. Here is how they decided this. I want to do this and here is why." If I was going to take something to Secretary England that was different than what the OIPT had decided on, I would tell the OIPT that I was going to do that and give them the opportunity to be there at the same time so that Secretary England could make the final decision.

I did not make decisions. I implemented Secretary England's decisions. Did he often take my advice? Yes. Did the OIPT often take my advice? Yes. Sometimes the OIPT said, "You know, Mary, we understand that that would be the way you want to do it, but we think it needs to be done this way and here is why."

It was still my decision whether or not I go to my boss and say, "I think we should do something else." More often than not, I would take the OIPT's advice, and I would inform the boss. I would tell the boss, "Here are the options we are looking at. The OIPT thought this one was the best, and I am going to go ahead and take that one."

Diane Putney: Can you remember an example or two of going to the OIPT where it was a real many-faceted issue.

Mary Lacey: Deployment strategy. Everybody has a different way that they want to deploy, and there were some that said "Hey, you are in. Once you are in, you are in, and your whole organization is in." There were others that said, "We just want to bring our managers in now, let them run in NSPS for a year, and bring everybody else in a year or two later."

There were others that said, "I have 5,000 people at that site, and I just want to bring three of the departments at that site in. I just want to bring, 2,000 of those 5,000 in, and then next year bring the other 3,000 in." Everybody had a different idea of what would work best in their organization.

There were some that said, "Well, let's just put people on performance standards this year, and then put them in the pay part next year."

Frankly, the OIPT was starting to sync up with, "Let's put them on performance standards now, and then put them in the pay bands next year." Secretary England said, "No. You are either in or you are out. If we are putting them in NSPS, we are putting them on performance standards. We are putting them on pay bands, and it is pay-for-performance."

That was one that even the OIPT had a multitude of different opinions, and I also took the topic to the Senior Advisory Group. Frankly, I was ambivalent because I could see good reasons in different organizations for doing every single one of those. I think that was one where how you saw the best answer was dependent on where you sat and the culture of your organization.

Diane Putney: Another example? These are very illuminating.

Mary Lacey: These examples.

Diane Putney: Yes. They are illuminating the thought processes that went into designing NSPS.

Mary Lacey: Yes. Another one that would be a good example of where we took some controversial decisions --

Diane Putney: Not necessarily controversial, just that it was big and important and it had to go to the OIPT and you were there. You can see them discussing it.

Mary Lacey: Veterans' preference.

Diane Putney: I have a question on that, so go ahead.

Mary Lacey: Okay.

Diane Putney: This is a good one.

Mary Lacey: Technically the way the law was written, we could not change the fact that there was veterans' preference, but we could change the way it was interpreted and still be

consistent with the law, but be different from OPM regulations. If there is a government-wide law about civil government employees, generally OPM has regulations. Under the NSPS law, DoD could have our own regulations. That was very, very controversial because OPM did not want us to do anything different than they currently had for veterans.

Using some of the authorities under NSPS within the framework of the existing OPM veterans' regulations was going to be difficult. They did not fit together anymore. The two puzzle pieces did not fit. At the end of the day, I took it to the OIPT. There were some people in the OIPT that said "We should be able to create our own regulations for veterans that meet the law, but fit this system more suitably."

There were others that said, "Yes, we hear you, but it would be too hard to explain to the public and, after all, we are the department that, for goodness sakes, makes veterans. We are not going to do a thing to either take away from the rights of our veterans or give the appearance that we have taken away the rights of our veterans."

Very tense discussions around that, and there was not a unified opinion within the Department of Defense, even with the political appointees and the HR professionals and the SAG, my Senior Advisory Group. That issue eventually went to Secretary England and the Director of OPM to make the final decisions.

Diane Putney: Veterans' preference would have been discussed in terms of hiring and Riffs and termination--

Mary Lacey: Yes.

Diane Putney: -- a number of issues where veterans' preference requires decisions --

Mary Lacey: Yes. All of them. As an example, in reductions in force, if we were truly going to make this a performance-based system, we should use performance first. Let's say we were going to get rid of the Level 3s first. Within the Level 3s, the people with the lowest scores should go first. If there is a tie between two people, the non-veteran goes before the veteran. You could have done it that way. Or, you could say, "First let's get rid of all of our non-veteran Level 3s; then, and only then, would we go and touch the veterans."

Here you could have lower performing veterans staying on while you are throwing out the door higher performing non-veterans. How do you do that? The concept of performance first was at odds with the veterans' preferences.

Diane Putney: How long did this tension about veterans' preference go on.

Mary Lacey: That actually went on for about, I want to say, a good four months.

Diane Putney: It gets resolved by the end of 2004?

Mary Lacey: Yes.

Diane Putney: Before you issue the draft rags --

Mary Lacey: Yes.

Diane Putney: And it goes up to Secretary England --

Mary Lacey: Yes.

Diane Putney: He knows what Kay Coles James' view is, but he has got to make the decision. Do you know if he kicked it up to Secretary Rumsfeld?

Mary Lacey: He may have discussed it with Rumsfeld, but I do not know that for a fact.

The OIPT and OPM have very strong feelings that we would not change. We had a mixture of feelings with the Department of Defense members of the OIPT. We did not have a unanimous opinion. Actually I do not think it was Kay Coles James anymore at that point in time, was it?

Diane Putney: She is gone, so it would be -- was it Blair?

Mary Lacey: Yes, I think Blair was already in the picture.

Diane Putney: Do you recall it settling down and was decided by the end of '04?

Mary Lacey: Yes. It came back up again when we rewrote the regulations. When we rewrote the regulations, one of the things that I did -- to comply with the law -- was say, "Hey,

let's go look at all those decisions we made the first go around and see if we still want to stay where we ended up making a decision."

Diane Putney: You are talking about 2008 then?

Mary Lacey: Yes, so we rebooked it.

Diane Putney: Ron Sanders told me that early in 2004 he had some really stormy sessions with Ginger Groeber about veterans' preference and, George Nesterchuk had his view, too, about merit and maintaining that. They gave me, very clearly, the OPM view on that. It was sacrosanct.

Mary Lacey: It actually was. We ended up in the right place. I have no qualms about where we ended up.

I also had a responsibility to make sure that we explored the issue. There were some people in the OIPT that felt very strongly that we were compromising our performance principle by putting veterans' preference ahead of performance. It was important to have that discussion.

Diane Putney: In your work with NSPS, did you notice differences, and some people might call them cultural differences, among the military services -- Army, Navy, and Air Force -- in their views and procedures regarding personnel matters?

Mary Lacey: Yes.

Diane Putney: As the PEO, did you have to make allowances for the differences displayed as the military services implemented NSPS?

Mary Lacey: Yes, they do have very different cultures and even inside their organizations they have very different cultures. For example, even within the Army, the Army Corps of Engineers is very different than the rest of the Army. Headquarters' operations tend to be very different than what you find in field activities, so, yes, we had to allow for that.

The Navy tended to have more of a decentralized approach to the way certain things operated than the other services and so we had to allow for that. That was not hard. It really was not hard. Sometimes we had to help folks understand how they could operate this same system in multiple different ways and it still worked okay.

Diane Putney: The Navy under Secretary England seemed to be the military service most eager to implement NSPS. Regarding the Army and the Air Force, which service was least enthusiastic about implementing NSPS, and how was this conveyed?

Mary Lacey: I think it was the Army, and it was conveyed a number of ways. In some of the working group meetings and everything, almost the first thing the Army said, "Well, you

know we are a Department at war and we are broke, so therefore, we cannot do anything. We cannot go into NSPS while we are doing all these other things."

The Air Force was also going through some challenges with downsizing in this same time frame, and Roger Blanchard [Assistant Deputy Chief of Staff for Personnel] and Mr. Dominguez [Assistant Secretary for Manpower and Reserve Affairs] leaned forward. In the long run, they put more people into NSPS in the beginning than the Navy did. They basically said, "This will help us with our transformation." Sometimes if you are going to have all this turmoil going on, put another one in there, and by the time it is all said and done, it is all done.

As it turned out, the Air Force leaned forward the most. Their officers got very involved. They did some team training with their officers. For example, they took a 2-Star, and they made her the advocate, and she was going around and talking to her peers all across the Air Force and helping them understand how it was going to work. Their officers took ownership. This was theirs, it was part of their command responsibility, and they actually ended up leaning much more forward, in my opinion, than the Navy did.

Diane Putney: That is interesting. What is also interesting and ironic is to hear that the Army would say,

"But, we are at war. We cannot do NSPS because we are at war."
Yet in early and late 2003, when Secretary Rumsfeld --

Mary Lacey: It was all about being at war.

Diane Putney: It was all about NSPS being necessary because of national security and we are at war. This is global war against terrorism.

Mary Lacey: The Army struck me, and strikes me, as much more process-hampered than the other services, "This is the way it is done." This represented a change.

Diane Putney: It is probably because there are so many more soldiers and to change something it is such a large, large piece.

Mary Lacey: It is huge. It is huge.

Diane Putney: The size. You mentioned that, too, that size matters.

Mary Lacey: It does.

Diane Putney: One of Lenin's principles.

Mary Lacey: Yes.

Diane Putney: What role did you want the Civilian Personnel Management Service, CPMS, to play in the NSPS design and implementation, and how significant a role did it play?

Mary Lacey:

I was not sure what role CPMS could or should play. I did not know who CPMS was when I first started. I did not know

about DoD personnel staff. I was a Navy Lab Director. I just paid attention to the Navy. I did not know what they could do. I was not sure what role I wanted CPMS to play and, quite frankly, in the beginning, there was a fair amount of hostility towards me because there was a perception, you could even say it was a fact, that NSPS was taken away from them.

When I arrived in the NSPS job, I had a very small staff, some of which was on loan from CPMS and some who were on loan from other places to CPMS to help work Best Practices and deploy NSPS. For five months they had been somewhat disenfranchised as individuals, and they had been in limbo. They were doing what they were told, and they perceived that they had been fired.

I will tell you, my Deputy Brad Bunn, was fabulous in terms of staffing and getting me access to the right kind of expertise and pointing out where it was and where it was not.

As it turned out, where I relied most heavily on CPMS was for some administrative support -- care and feeding, space and this and that, which I paid for -- and I relied heavily on them for their expertise in compensation.

Pay is very complicated, very, very technical, and Dennis Turner, in particular, and his folks were the Department of Defense's experts on that. I relied very heavily on them for that.

The other area, which was sort of a hybrid, was in the Labor Relations and Appeals, because whatever we did, we had to be very careful because the Department of Defense has a set of relationships with unions. We cannot have one set of relationships with the unions from Dr. Chu's shop and another set from the PEO shop. We had to walk a very delicate line there. Fortunately, we had Tim Curry, who was in CPMS, who worked that closely. I think that because of the personalities there, we were able to make that work very well. Those were the big areas that I relied on CPMS in the system design piece of it.

The other area I ended up relying very heavily on them, which was not my choice, was in IT, the tools -- the DCPDS and that sort of thing. That tool was, first of all, not even well designed for the people who it is intended for, which is the HR practitioner. I ended up stuck with it because I was not being adequately resourced to do anything different and ended up with this God-awful tool for folks for their performance standards. That is what they saw as NSPS -- this awful tool that was designed by database experts, for practitioners and that was painful. That was incredibly painful.

Diane Putney: Who designed My Biz, My Workplace, the performance appraisal application?

Mary Lacey: CPMS. Supposedly for me, but they really did not listen to me very much.

Diane Putney: Did you get stuck with something else? You said DCP . . .

Mary Lacey: Yes, that whole system.

Diane Putney: It is an umbrella term for all of this.

All of these tools --

Mary Lacey: Are in this big DCPDS --

Diane Putney: Under that umbrella. That all was coming from CPMS.

Mary Lacey: Yes. It is the Department of Defense's system, but it is not very user-friendly. They had the wrong kind of people involved. I am convinced -- I am not trying to be pejorative -- but these are wonderful HR practitioners, but they do not have IT -- real IT experts and system design experts, involved. They did not have enough of them involved.

Diane Putney: You are talking about My Biz and My Workplace and --

Mary Lacey: Yes.

Diane Putney: -- that instrument that all the employees would see and would be how they are going to be introduced to the real thing, pay-for-performance appraisal.

Mary Lacey: Correct. It is the biggest source of complaints -- the tools.

Diane Putney: As PEO, when did you first meet with the union representatives? Describe the meeting in terms of purpose, tone, and outcomes.

Mary Lacey: Oh, boy.

Diane Putney: I have let it go until now, the union part of it.

Mary Lacey:

There is a timeline that has those dates. The purpose of the initial meeting was to start the conversations again.

Diane Putney: What was it like for the first time as the PEO, to meet with the unions?

Mary Lacey: It was in June. It was sometime in June. It was not very pleasant because at that point in time, I still had no idea what I was doing.

Diane Putney: You are new --

Mary Lacey: I am not an HR manager. I do not know all the HR rules inside and out. I did not follow that stuff day in and day out on my day job. My Director of Personnel did that. I am not an expert in HR rules. The unions wanted to get down into the nitty gritty and talk about Labor Law.

Even when I was at Indian Head, subject of a gazillion disputes and grievances, I was not talking Labor Law. The lawyers were talking to each other, so it was not particularly comfortable being in that kind of situation because I was being attacked as simply a figurehead of the organization. I have

been in those situations, and the discussion can get what the unions would call "robust," and I will tell you even though it is not personal, it is just business, it sure feels personal. I know it is often designed simply to get you irritated, to get you to say something that you do not mean, so it is not pleasant. I do not know any other way to describe it. In my personal opinion, it may be perfectly legal, but it is not very professional.

We were trying to get the discussion started. We felt that there were areas that the unions had legitimate interests and could make legitimate contributions. We could not really see eye-to-eye on a lot of this because they wanted to bargain the regulation, and we were not going to bargain the regulation.

Diane Putney: Because the legislation said, "You are not going to bargain."

Mary Lacey: We did not have to bargain, so we had the ability to draft the regulations ourselves. They could comment on them, but we were not going to bargain and have a third party arbitrator decide what our system was going to be. We were going to decide what our system was.

Diane Putney: The proposed regulations were published on February 14, 2005. Who actually wrote the regulations and how much input did OPM have with writing?

Mary Lacey: We had writing teams that were OPM and the Department of Defense. We had primary authors of different sections that were subject matter experts. Some of them were in my office, and some of them were on loan from the components, and CPMS, for example, wrote a lot of the pay section with OPM. We relied very heavily on them for the pay. On the Labor and Appeals, we had a working group that worked under Tim Curry very collaboratively. We had staff in our office take the lead for various other sections.

My Deputy and I met with Chuck Grimes and George Saunders from OPM and a few of their subject area experts, our lawyers, their lawyers. We literally had reading and writing sessions where we would go over to OPM, and we would put the regulations up on a screen, and we would go through it line by line to ensure that we had integrated all of the pieces together. Each section does not quite stand alone, so that was very collaborative.

Diane Putney: At some point, did you refer to a period of "going dark" somehow --

Mary Lacey: I did.

Diane Putney: -- regarding the writing, the drafting.

Mary Lacey: Yes.

Diane Putney: What did you mean by the remark and how did the unions react to it as far as you could tell?

Mary Lacey: To me, with my Navy background, going dark is a term that means you are going silent. There is a period that a submarine goes down. It goes dark. Runs dark, runs deep. It is quiet. We had gotten all the input we were going to get from the unions. We had gotten lots of input, and it was time to sit down and write the draft regulations.

During that period of time, we were just going to be writing. We were going to focus on that, and until we published them as draft regulations, we were not going to be sharing them anymore with the unions. I called it a period where it is going to be dark.

I was not going to take these draft regulations while they are going through inner-agency approval and send them to the unions to give them a head's up because, gosh, as it goes through the inner-agency approval that is just the regular regulation process. There could be some changes, and I do not want to be giving the unions the wrong information. That is all I meant.

They took it out of context, and they blew up on it.

Diane Putney: It sounds sinister somehow?

Mary Lacey: Yes, and that was not what was intended at all. It was just, "Hey, we are going to go write now."

Diane Putney: During the public comment period for the draft regulations you received something like 50,000 comments. How did you handle those? They are going to start coming in, and you did not know at first how many were going to come in.

Mary Lacey: We had no idea. We had hired some contractors that actually had expertise in handling regulations and responses to regulations. We hired a company that had handled the largest response to any regulations that had ever happened to date.

We also anticipated a lot of form letters, and the reason we anticipated form letters is because we went to the union Web sites, and the unions were posting form letters on their Web site saying, "Send this in." This company was prepared to receive them and to convert them to PDF and to start logging them.

Diane Putney: They read it and then they just categorize all the incoming and then feed it to you, to your staff?

Mary Lacey: Yes, to my staff. Ken Friedman, who is on my staff, sort of honchoed the whole thing. He and Steve Rodkey orchestrated that in making sure that as the comments came in, they were given to the appropriate subject matter experts on my staff and OPM staff to start adjudicating the comments.

"Okay, we agree. We disagree," whatever, because certainly we could not take every comment because some of them

were contradictory. We could not accept two things that said, "Yes" and "No." We could not respond, "Oh, we will accept them both and make the regulations comply with both of them." You cannot do that.

Of the 57,000 comments, many of them were form letters, and they really were not comments about the regulations. It was, "I do not like it." It is not a substantive comment that requires a response in regulations because it does not tell you how to adjust the regulations. It is not expressing an opinion about whether a regulation should be changed one way or another way. It just says, "I do not like it." Okay, noted. There really weren't 57,000 substantive comments.

Diane Putney: The regulatory process requires, though, that you do give responses, not only to consider them, but to actually prepare responses to those comments that met the criteria of being substantive.

Mary Lacey: Yes, absolutely. We did. That is why that whole first section of the final regulation is so long. It deals with what we did with all the comments, how we adjudicated them. We accepted them, or we accepted them partially, or we rejected them and why.

Diane Putney: Would you describe your role in the meet and confer sessions with the union representatives?

Mary Lacey: I was there because I was the PEO, and we tried to get substantive conversation going. For the most part, Tim Curry did the lion's share of the brokering and the honchoing with the unions. I was there to discuss whatever the topic was, hear what they had to say, respond to their questions just like anybody else.

Diane Putney: You had mentioned with the going silent period that the regs had to go to different agencies for coordination. When you were in meet and confer and you had an idea, a suggestion to change something in the draft regulations, did you say you have to go back to the Office of Management and Budget and get their approval then?

Mary Lacey: Sometimes. It depends on what it was.

Diane Putney: Do you recall an example of when you might have had to take some idea back to them?

Mary Lacey: One of the things that we took to them was the pay caps. The law was silent on our pay caps. It was totally silent. There really was an interest, a government-wide interest that OMB had because we could price everybody else out of the business.

Diane Putney: I would want to come work for DoD.

Mary Lacey: Exactly, and/or we could make DoD flat broke by getting too far out of line. We had to go to OMB with our proposals and get their concurrence.

Diane Putney: But, that was not necessarily something that came from the union discussing the draft regs.

Mary Lacey: No.

Diane Putney: But this is something that you do have to coordinate with OMB.

Mary Lacey: Yes. I cannot think of anything that the union suggested that I had to take to OMB. I cannot think of anything. Tim may be able to.

Diane Putney: Did you ever learn the origin of that concept "meet and confer"?

Mary Lacey: No. I have no idea where it came from. I think that Tim Curry thinks that Peter Levine made it up.

Diane Putney: Peter Levine is on the Hill as a staffer?

Mary Lacey: Professional staffer. He is a lawyer on the Senate Armed Services Committee, the Personnel Subcommittee; he was hired originally by Senator Levin.

Diane Putney: When you were the PEO, how did locality pay under NSPS differ from locality pay under the General Schedule system? And then, how are you going to determine locality pay? It seems like an enormously complicated task.

Mary Lacey: Yes. For all intents and purposes, we were going to follow government-wide locality pay until the Department had time to prove or develop data that said they should do something different. We were going to follow

government-wide locality pay and move off of it only by exception.

If we knew that we had an exception in a certain area that was proven -- for the same reasons that when somebody says they need a special exception from OPM, they go and they figure how to get it and prove it -- and if we felt that we had a sufficient business case, we would take it to Pat Bradshaw's compatriots and say we needed to go get this special exemption.

For example, we had a problem with air traffic controllers in Oklahoma. I should say the Air Force had a problem because they were within 20 miles of a major FAA location. At Tinker Air Force Base, or wherever it was, the Air Force is getting people trained to be air traffic controllers. FAA was giving them a \$10,000 bonus and snatching them because FAA was in a demonstration pay system and had more flexibility on pay.

I went in for a special locality pay only for air traffic controllers at Tinker Air Force Base to deal with that particular situation. That was the main difference. We gave ourselves the ability to add additional special locality pay based on, not just the cost of labor in that area, but by occupation.

OPM does not give it to you occupation-specific in an area, so that was a major authority that we gave ourselves.

Since the Department had no infrastructure already built to do the pay assessment itself, like OPM already does and they do at the Bureau of Labor Statistics, we were only going to do it by exception until DoD sorted out how to support regular and rigorous assessments. It was going to be up to CPMS as part of their long-term sustainment of this system to figure out how to support that.

Diane Putney: In January 2006, the initial meeting of the NSPS Performance Management System Redesign working group met. I must have gotten that from the Rodkey chronology. Why was the redesign necessary at that point? What caused the redesign? What exactly was redesigned?

Mary Lacey: The original design of the performance management part of this basically said, "Here are seven behaviors. We are going to look at everybody through each lens and evaluate you on these behaviors. You are going to have these actions which will demonstrate your behavior."

Diane Putney: This is behavior, the manner in which you do your job.

Mary Lacey: Correct. That was the original design and, by the way, it was driven very much by OPM. OPM wanted it that way.

Secretary England said, "I don't think so. This is pay-for-performance, not pay for behavior. I want this directly

tied to performance, so come back and show me something different."

That put us back to looking at it from a different way. You really had both of them all along. You had, "Here is the various kinds of behaviors," but you actually do things.

Do you look through the behavior lens or do you look through the performance/output lens? Secretary England very much wanted to look at it through the output lens, and OPM wanted to look at it through the behavior lens.

Diane Putney: The behaviors are now what we have as contributing factors.

Mary Lacey: Factors.

Diane Putney: The performance indicators are introduced in the redesign.

Mary Lacey: No, they were in there all along.

Diane Putney: They were there.

Mary Lacey: Yes.

Diane Putney: The emphasis must have been on the behaviors.

Mary Lacey: Remember, you have descriptors for your performance as well as your contributing factors. We had descriptors for both those things all along, we just changed the weight and influence, which one you looked at first.

Diane Putney: So that basically is the redesign.

Mary Lacey: Yes.

Diane Putney: Changing the weight between the two.

Mary Lacey: Yes.

Diane Putney: Or which one you look at first.

Mary Lacey: Which one you look at first. They were always both there. I do not think it was a major deal. Maybe to a personnel person it was.

Diane Putney: Okay. I am going to stop this now because we are getting near the end. Your time is so valuable. We can continue now but if you would be up at the Navy Annex sometime . . . I can come back here, or if you are up at the Navy Annex --

Mary Lacey: I am usually up there but when I am up there I am usually --

Diane Putney: So busy.

Mary Lacey: Yes.

Diane Putney: I can come down here again whenever it is convenient for you. It is just that you are key. You are giving all this flesh to bare outlines, that it only makes sense once you have a narrative surrounding it.

Mary Lacey: Yes.

[End of file: Lacey 16 Jan 09 Tape 1 Side B.mp3]