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10 September 1982

NSA review completed

MEMORANDUM FOR THE RECORD

SUBJECT: Overseas Premium Pay

1. At their request, HPSCI Staff members O'Neil, Bush, and Faga were briefed on the eligibility criteria for the proposed overseas premium by [redacted] and the undersigned on 10 September 1982. [redacted] from OEXA was also present. [redacted]

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2. Mr. Bush asked me to review for them how the Agency arrived at the need for this premium pay. I provided the background of our concern prior to 1980 in providing both some sort of incentive to compensate for the deteriorating quality of life overseas and as an inducement for willingly accepting service overseas. The need for this inducement was exacerbated by the pay increase granted foreign service employees by the Foreign Service Act of 1980. We instituted the Interim Overseas Differential (IOD) with the understanding that we would justify the need by an independent review. This review, which included Intelligence Community Agencies, proved that responsibilities of Community positions overseas were at least equal to their Foreign Service counterparts, pay inducements to compensate for the rigors of overseas service were justified, and that a premium pay similar to that provided in the private sector should be instituted. Our initial eligibility criteria, concurred in by the other Agencies, was improved upon by an OMB suggestion that we base eligibility on career commitment to overseas service (similar to that of the Foreign Service). This suggestion made good sense for CIA but provided some problems for the other agencies who preferred their prior criteria (Special Class for NSA and association with the Attache Service for DIA) as it is more useful for their particular needs. [redacted]

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4. After some discussion of NSA personnel in Unified and Specified Commands plus the SUSLO people, they seemed to understand the distinction within NSA. Very little conversation was devoted to DIA.

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6. We were asked if our effort to justify the need for premium pay involved Community participation. I responded that NSA personnel (who had the larger share of the positions) traveled with the CIA representative and the consultants during field fact finding. It was also acknowledged that we worked closely with NSA and DIA during the development of the proposal. I also explained that we contacted the Foreign Service early on, they agreed to the Consultants interviewing their personnel in the field, were provided copies of the reports, met with the Consultants for debriefing and had reviewed our draft proposal. When asked, I pointed out that the Foreign Service decided not to endorse our effort and that I was uncertain as to the basic reasons but suspected that it was one of perceived morale factors with their communicators and secretaries, a concern over our limiting premium pay to overseas service only and, maybe, wrapped up with the on-going dialogue regarding the Domestic Telecommunications Service. Mr. Faga asked why we didn't adopt the Foreign Service salary schedule as proposed by State.

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He indicated that our approach was very sound. When asked, I acknowledged that we will be working with the Foreign Service to resolve their perceived difficulties and that we are scheduled to meet with them during the week of 20 September to begin this process.

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7. Mr. Bush, in concluding, asked what we planned to do once the OMB letter with the suggestion as to eligibility criteria and admonition to work closer with the Foreign Service was received. I responded that I would recommend that the DCI respond to OMB that he accepted their suggestion, would continue to work closely with the Foreign Service to resolve any difficulties, and, with Congressional concurrence, would implement Overseas Premium Pay for Intelligence Community personnel as defined during this discussion. Mr. Bush said that he anticipated that any additional funding needed will be identified in a FY 83 supplemental. Both Jack and I sensed that HPSCI concurrence will be granted.

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Deputy Director for Policy,
Analysis and Evaluation

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