

DEPARTMENT OF THE AIR FORCE

**PRESENTATION TO THE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS**

**SUBJECT: "CRITICAL MISSION: ASSESSING SPIRAL 1.1 OF THE NATIONAL
SECURITY PERSONNEL SYSTEM"**

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 UNITED STATES AIR FORCE**

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BY

Good afternoon Chairman Collins, Senator Lieberman, and members of the Committee. I am Lieutenant General Terry Gabreski, Vice Commander, Air Force Materiel Command (AFMC). I am responsible for the oversight of all NSPS training and implementation within AFMC. Prior to this assignment, I was the commander of the Oklahoma City Air Logistics Center at Tinker AFB and was responsible for NSPS implementation planning at the Air Force's first installation to deploy NSPS. Thank you for your interest in this important national security issue and for this opportunity to testify before the committee on our NSPS deployment efforts within Air Force Materiel Command.

AFMC is tasked with ensuring our Air Force is properly equipped to win our nation's wars now and into the future. We provide war-winning expeditionary capabilities to the warfighter through four core missions: development and transition of technology, professional acquisition management, exacting test and evaluation, and world-class sustainment of all weapon systems. The civilian population of our Command is vital to developing the expertise and continuity across the entire life cycle of our weapon systems. They are key to our mission success and vital to our national security. Our 56,000 Air Force civilians comprise 70% of our total Command population and 34% of the entire Air Force civilian population. Such a large civilian population warrants our best effort in implementing NSPS and that is exactly what we have endeavored to do in AFMC. General Bruce Carlson, AFMC Commander, expects that all Airman and Air Force civilians be accountable to continuously improve performance across the acquisition life cycle. We need leaders, civilian and military alike, to inspire co-workers,

set expectations, reward results, and create an environment that has a passion for improved performance. We believe NSPS offers an historic opportunity to transform our workforce into one that is agile, responsive, and flexible.

AFMC is leading the way for Air Force NSPS planning and deployment. Our previous experience with the Air Force Research Laboratory (AFRL) Personnel Demonstration Project and the DoD Acquisition Workforce Personnel Demonstration Project has provided valuable insight to the benefits of alternative personnel systems and pay for performance environments. In preparing for NSPS, we have capitalized on the experiences of these projects by actively sharing lessons learned across our installations as well as throughout AF and DoD. We are committed to working together as a joint team to ensure successful implementation and have served on several DoD developmental working groups as well as the PEO's Senior Advisory Group. AFMC stepped forward and nominated Tinker AFB to be one of the first installations in the AF to deploy NSPS. I was privileged to be a part of the planning process for Tinker's implementation and would like to take a minute to share this success story with you.

On 30 April 2006, Tinker became the DoD's largest activity to deploy NSPS with the conversion of over 2,400 non-bargaining unit employees. This successful conversion followed months of workforce preparation, communications and training. Tinker began their transition process by establishing an NSPS program office and establishing an Executive Steering group made up of senior leaders from the Air Logistics Center and its associate units. The Tinker NSPS program office is responsible for the day to day operations associated with NSPS deployment including communications, training,

fleshing out the new local management flexibilities and bringing topics to the Executive Steering group for discussion and decisions.

Communication was and is the most vital piece of NSPS implementation. Each Air Force Major Command had General Officers conduct “Spread-The-Word” briefings to senior leaders at each installation underscoring that NSPS is much more than a replacement personnel system and is a commander responsibility which cannot be delegated. Tinker’s communication strategy established information flow by developing an NSPS website, Town Hall meetings, Commanders Calls, articles in the local base newspaper, and memos from the Commander/Director to employees. By quickly and efficiently disseminating information, we equipped our workforce with the tools necessary for transition to NSPS, engaged their participation and encouraged feedback on their questions and concerns.

Tinker also placed a strong emphasis on training employees and managers including military supervisors. All employees who were deploying into NSPS received approximately 8 hours of soft skills training covering change management and 8 hours of NSPS specifics. Civilian and military supervisors and managers received a day and a half on soft skills, 2 days on NSPS specifics including performance management, pay setting, classification and filling vacancies and 2 days of pay pool management training which included conducting a mock pay pool panel. Additionally, to ensure new employees and newly appointed supervisors are familiar with NSPS, training is being designed into current courses such as orientation programs and supervisory

development training. We are committed to preparing our supervisors and employees for the challenges and opportunities of NSPS and view this investment in training as crucial to successful implementation.

NSPS has provided Tinker the much needed management flexibility to move high performing employees quickly and easily into mission critical positions. In addition, Tinker has seen increased communications between employees and supervisors via feedback on the development of performance objectives and employee input on their accomplishments during the performance cycle. Although Tinker has not yet reached the end of their first NSPS appraisal cycle they are already realizing the benefits from the NSPS performance management and pay pool process which encourages employee participation, rewards high performers, links performance objectives to organizational goals, and increases accountability.

NSPS deployment has not been without its challenges. These challenges include the normal comparison of the NSPS system and the General Schedule system anticipated with any change of this magnitude...a situation magnified by the split deployment pending the outcome of the DoD appeal of the Feb 2006 court decision in AFGE vs. Rumsfeld. Despite these challenges, the Tinker implementation has shown the tremendous potential and benefits of NSPS which strengthens our resolve to successfully implement across the Command.

Future implementation will occur by spiral with each AFMC installation assigned to the DoD spiral increments. In addition, all of our installations were partnered with other

AFMC installations in other increments, providing an environment of continuous learning throughout the development process and a network for assistance to sister activities.

Tinker was proactive in sharing their lessons learned across AF and DoD. Some of the deployment lessons learned include the following:

- Writing performance objectives is harder than expected; start early with workshops to train managers
- Dedicate an NSPS staff to manage deployment
- Communication is critical
- Provide training early
- Provide Soft Skills training in advance of NSPS specific training
- Begin flexibilities and conversion discussions with managers early
- Senior leader buy-in is critical

Using these lessons learned, the remaining 9 AFMC bases will deploy NSPS to over 10,000 non-bargaining unit employees between October 2006 and January 2007.

Tinker's deployment strategy will be their guide but each base will be tailoring it to fit the needs and functionality of their bases and employees. Our preparation efforts have been well thought out, thorough and embraced by leadership. We are committed to spreading the success we are realizing at Tinker to the rest of our Command. NSPS will make us a better Command, a better Air Force and a better DoD.

The first performance cycle for our NSPS employees will close out on 31 Oct 2006 with payouts resulting from this cycle in January 2007. DoD has placed controls on the pay

pool payout process. The controls are set to ensure that in accordance with the NSPS statute the overall amount allocated for compensation of the DoD employees who are included in the NSPS may not be less than the amount that would have been allocated for compensation of such employees if they had not been converted to NSPS. In addition, the controls ensure payroll costs do not rise above what could be normally expected.

To date, AFMC has funded NSPS mainly from its own resources. DoD and AF have funded the train-the-trainer events with each MAJCOM and installation financing the remainder of the deployment effort from existing resources. The bulk of AFMC's expenditures (approximately 95%) have been for salaries of the deployment teams and for contractor support. In FY05 and the first three quarters of FY06, AFMC expended \$4.3M command-wide preparing our ten installations. We project an additional expenditure of \$3 Million in FY07 as our remaining nine installations deploy NSPS. We think this is money well spent.

From my perspective as a General Officer, NSPS provides our commanders the tools of a modern and flexible human resources system that is responsive to today's national security environment. It provides an environment where leadership is accountable, performance objectives are aligned with organizational goals and employees are recognized for their contributions to the mission.

Air Force Materiel Command has established itself as a champion for NSPS implementation. Our civilians have and will continue to be critical to ensuring we

provide war-winning technology, acquisition, test, and sustainment to the warfighter. Our civilian teammates play a vital role in our nation's security and deserve the best possible human resource system to help them accomplish our mission. NSPS is that system, it's a force multiplier...and once we are able to implement across the entire department our nation will truly reap the benefits.

Thank you for your service to our country and for the invitation to testify today on NSPS and our deployment efforts within Air Force Materiel Command.