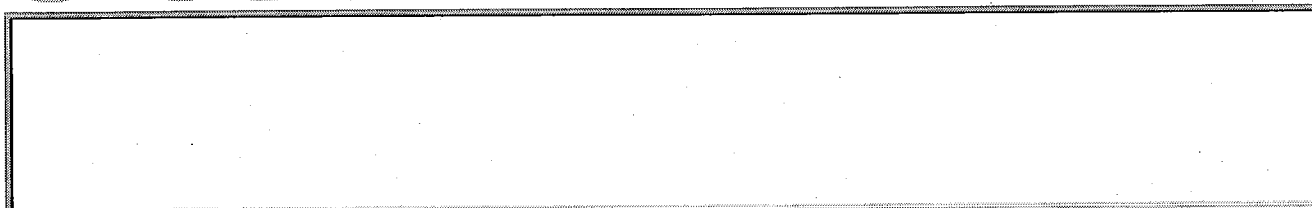


**Memorandum of Understanding between USFCS and AFSA
Time-in-Class and Foreign Service Selection Board Precepts Changes**

The attached document provides proposed changes to the Time-in-Class (TIC) policy and Foreign Service Selection Board Precepts.

A copy of the signed agreement between USFCS and AFSA is attached at the bottom of this page.

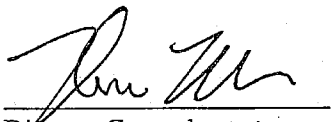
You can download any of the files below by dragging them to your Windows desktop. To open a file for reading, double-click it.



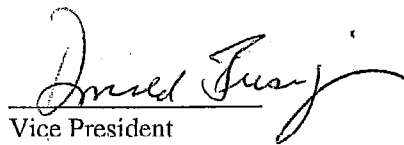
**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE U.S. DEPARTMENT OF COMMERCE,
UNITED STATES FOREIGN & COMMERCIAL SERVICE [USFCS]
AND
THE AMERICAN FOREIGN SERVICE ASSOCIATION [AFSA]**

The parties to this memorandum, the American Foreign Service Association, herein after referred to as AFSA, and the U.S. Department of Commerce's Foreign Commercial Service, herein referred to as FCS, enter into this agreement for the purpose of making changes to the Time-in-Class policy and Selection Board Precepts.

1. This memorandum is subject to and governed by Chapter 10, Labor-Management Relations, of the Foreign Service Act of 1980, as amended, and the Collective Bargaining Agreement (CBA) between AFSA and FCS, as amended. This agreement will be modified as necessary by any future amendments to the documents mentioned above, or to rules, regulations or laws impacting this agreement.
2. The attached document reflects a) necessary changes in procedures as a result of the Defense Authorization Act – pay for performance for senior executives; and b) changes to allow for performance recognition for all individuals who will be retired based on time-in-class.



Director General, Acting
U.S. and Foreign Commercial Service



Vice President
AFSA

8-12-05

Date

8-11-05

PROPOSED CHANGES TO POLICY DOCUMENTS

Adjustment/Modifications to the Time-in-Class Policy (TIC) and the Foreign Service Selection Board Precepts needed in order to address pay for performance salary adjustments and also to allow TIC'd employees to receive cash awards from the Selection Boards:

1. Time-in-Class Policy (TIC):

A. Currently Section 10. Effective Date of Retirement for TIC reads as follows:

.04 Once a retirement date has been established, the employee's performance records shall not be reviewed by any Selection Board which convenes during the intervening period, nor will the employee receive any within-class salary increase during the intervening period.

B. Suggested revision:

.04 Once a retirement date has been established, the employee's performance records shall not be reviewed for promotion by any Selection Board that convenes during the intervening period.

2. Foreign Service Selection Board Precepts:

A. Revise section b .07 Performance Recognition:

Currently reads:

b. All employees, FS-01 and below, may be considered for a Meritorious Step Increase (MSI) or Performance Award (PA).

Suggested revision:

b. All employees, FS-01 and below, may be considered for a Meritorious Step Increase (MSI) or Performance Award (PA). Exception: those officers who have established retirement dates due to expiration of time-in-class will be reviewed for Performance Awards only.

B. Modify Section 3. Board Responsibilities, .08 Senior Foreign Service Awards and Pay Adjustments:

Suggested revision to c which is currently labeled Executive Schedule Pay Adjustments:

c. SFS Pay-for-Performance.

- (1) The Board may recommend either an increase or no increase in the executive level salary of a Senior Foreign Service officer, based on the current year's performance appraisal.
- (2) A recommendation for an increase or no change in salary should be based on both individual and organizational performance.
- (3) SFS officers who have established retirement dates due to expiration of time-in-class will be reviewed by the Board for these salary adjustments.