Testimony of

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Chairman Cassidy, Ranking Member Heinrich, and Members of the Committee:

My name is Anton C. Porter and I serve as the Executive Director for the Federal Energy Regulatory Commission. The Office of the Executive Director is responsible for providing administrative support services to the Commission, including human resources, financial management, information technology, security, procurement, logistics, and organizational management. It is my honor to provide testimony this afternoon responsive to S.607, the "Timely Review of Infrastructure Act" which would amend the Department of Energy Organizational Act to address insufficient compensation of employees and other personnel of the Federal Energy Regulatory Commission. As a member of the Commission's staff, the views I express in this testimony are my own, and not necessarily those of the Commission or of any individual Commissioner.

The Federal Energy Regulatory Commission (FERC or Commission) is composed of twelve program offices that support the agency's mission of ensuring consumers can obtain economically efficient, safe, reliable, and secure energy services. Our largest program office, the Office of Energy Projects (OEP), is responsible for performing the engineering and environmental review of natural gas pipeline projects, liquefied natural gas facilities and non-federal hydroelectric projects. The Commission's Office of Electric Reliability (OER) helps protect and improve the reliability and security of the nation's bulk power system through effective regulatory oversight of the development of mandatory reliability and security standards. In addition, the Office of Energy Infrastructure Security provides leadership, expertise and assistance to the energy industry to identify, communicate and seek comprehensive solutions to potential risks of FERC-jurisdictional facilities from cyber-attacks and such physical threats as electromagnetic pulses. All three offices, which employ specialists in highly technical fields, would be impacted by S.607.

For example, OEP is made up of 345 specialists, including archeologists, biologists, geologists, engineers, environmental protection specialists, and recreation planners, engaged in infrastructure review. As industry invests in and develops more LNG projects, OEP's workload will increase prospectively. At the same time, the level of expertise required to support FERC's LNG program responsibilities is highly technical and scarce within the job market. FERC supports these responsibilities with professionals specializing in an array of engineering disciplines to include mechanical, civil, petroleum and fire protection. Due to this scarcity in the market, FERC has experienced difficulties recruiting and retaining staff in the Washington, DC area due to compensation constraints. Among its staff with engineering disciplines FERC has observed a separation rate of approximately 30% over the past 4 fiscal years. As such, we have been forced to replace a third of this valuable expertise over this term to keep pace with this rate of attrition.

During this period, the Commission has constantly attempted to recruit candidates to fill these positions to ensure OEP stays at the targeted 345 full-time equivalent staffing level, issuing 176 vacancy announcements. However, 39% of these postings failed to result in the identification of any desirable candidates after conducting initial screenings, interviews and/or reference checks. In postings that did return candidates with the needed professional and interpersonal skills, 18 percent of job offers were turned down, with the majority of those candidates indicating compensation constraints as a principal reason. As a result, OEP has not been able to keep pace with staff attrition. This issue has been more pronounced in extending job offers for LNG engineering positions where we have experienced a 50% success rate relative to acceptances.

Attracting qualified employees to work in the Washington, DC area has come with only marginal success. According to the Economic Research Institute, a compensation analysis firm, the annual median salary for a petroleum engineers in the Washington, DC area is $175,861. The current annual median salary for a Commission petroleum engineer is $122,605. This compensation analysis is based on salary survey data collected directly from employers in the Washington, DC area.

FERC has previously considered alternative approaches to supporting its technical workload, to include acquiring contractor support. In fact, it uses contractor engineering support on a limited basis to assist with LNG inspections. However, engaging contractors in a more extensive fashion presents unique challenges. The universe of qualified and capable firms that can support FERC's LNG activities is very small. Industry leverages these consultants to a large extent in support of their activities. These existing relationships create organizational conflicts of interest that preclude FERC from leveraging this limited universe more extensively. Due to these constraints, Federal staff provide the optimal continuity for seamless execution of the agency's related obligations.

FERC's continued issues recruiting and retaining technical staff to be stationed in the DC area, and at FERC's recently-announced office in Houston, Texas, will eventually have a negative impact on LNG program performance unless it finds other viable recruiting and compensation strategies to acquire and retain skilled staff.

These problems have not been confined to OEP. Many of the Commission's other offices have had similar experiences. Over the past four years, many of our offices have experienced double digit attrition rates that have been difficult to address despite our aggressive hiring efforts due to compensation constraints.

The Commission has realized an unsteady hire rate in key Commission occupations within the last four fiscal years. Given the 9% average attrition rate of engineers, for example, our agency has not been able to rise above attrition. In FY 2016 engineers comprised 16% of the total number of agency-wide hires. Though there was growth in FY 2017, with Engineers making up 22% of total agency-wide hires, in FY 2018 that number plummeted to 13%, its lowest levels the past four fiscal years. It is a real concern that our agency will not be able to on-board as many Engineers as separate, leaving our Engineering ranks perpetually lacking.

In the annual 2018 Federal Employee Viewpoint Survey, administered by the U.S. Office of Personnel Management (OPM), 26% of Commission employees responded that they are considering leaving the Commission within the next year. Among those who are considering leaving within the next year, only 46% of them expressed satisfaction with their pay. Among the respondents who have Doctoral or Professional Degrees the overall satisfaction with pay (regardless of intent to leave) was the lowest, at 62%, compared to respondents with no degrees or other degrees. We are awaiting 2019 survey data results from OPM.

Over the past four fiscal years, the Commission has made hiring a strategic priority, working diligently to hire ahead of forecasted attrition. Over this period, our average time to hire has been under our 55 calendar days metric, with an average time to hire of 49 calendar days in FY 2018. While this has addressed our ability to be responsive to applicants, we remain challenged with attracting quality candidates to fill our positions. We have also maximized our use of available Title 5 recruitment incentives, including offering one-time recruitment and relocation bonuses, offering creditable service for annual leave accrual for non-Federal work experience and experience in uniformed service, as well as using superior qualifications for setting pay above the minimum rate. Once employees are on-board, we have also maximized our use of available Title 5 retention incentives, including investing just over $1 million annually in providing Student Loan Repayment Program incentives to staff. Even with these flexibilities, 18% of candidates that declined offers noted they did so to pursue private sector opportunities that provided greater compensation. These compensation issues are compounded in the Washington, DC Headquarters location and in our San Francisco Regional Office by higher costs of living.

The Commission has used Federal Government-wide direct hire authorities for Information Technology professionals with information security experience over the past eight years. This year we have also expanded our use of Government-wide direct hire authorities granted for Economists, Biological Scientists, Fishery Biologists, General Engineers, Engineers, Physical Scientists, and Acquisition occupations. While the direct hire authority expedites the hiring process, we are often faced with not being able to offer competitive compensation for these needed skill sets.

In summary, the language contained in S.607, the "Timely Review of Infrastructure Act" will assist the Commission in attracting and retaining the needed workforce with additional compensation authorities. This concludes my testimony. I would be happy to answer any of your questions.