

July 24, 2023

Sent via email to members of the United States Senate

Dear Senator:

I write on behalf of the National Active and Retired Federal Employees Association (NARFE), which is dedicated to advancing the interests of the more than 5 million federal employees and retirees, as well as their spouses and survivors. As the Senate finalizes debate on which amendments to include in the National Defense Authorization Act for Fiscal Year 2024, I write to express NARFE's views regarding two submitted amendments.

NARFE urges strong support for Amendment 209, submitted by Senator Feinstein, D-CA. This amendment would provide a necessary congressional check on abuse of executive powers from any administration by limiting the ability of the executive branch to bypass the entire framework of the merit-based civil service through the creation of broad new exceptions to the application of merit-based rules. Specifically, the amendment would prohibit the reclassification of any position in the competitive service to an excepted service schedule that was created after September 30, 2020, and limit federal employee reclassifications to the five excepted service schedules in use prior to fiscal year 2021. Amendment 209 would prevent future attempts to return the federal government to the spoils system, thereby protecting civil service rules that ensure federal employees are hired and fired based on their competence, or lack thereof, and not what political connections they have or lack. Inclusion of this amendment will ensure that the civil service remains the professional and nonpartisan system that Americans rely on.

NARFE urges strong opposition to Amendment 523, submitted by Senator Marco Rubio, R-FL. This amendment would prohibit Thrift Savings Plan (TSP) investment in a "country or security of concern" as defined by the Director of National Intelligence in the Annual Threat Assessment. This would prohibit investments in securities issued by companies based in Hong Kong, as it is part of the People's Republic of China (PRC), a "country of concern."

This would force the TSP to close its International Stock Fund, the I Fund, because it includes investments in companies based in Hong Kong, and no alternative index exists to provide broad exposure to international stock investments while excluding securities of companies based in Hong Kong. In so doing, the policy would limit how well current and retired public servants and uniformed servicemember could diversify the investments they make with their hard-earned retirement savings.

The provisions of the amendment would also force the TSP to end its recently created mutual fund window, which offers TSP participants the ability to direct retirement

savings to investments outside the TSP's core funds. According to the Federal Retirement Thrift Investment Board (FRTIB), there is no cost-effective way to monitor all 5,000 mutual funds holdings; as such, the provision would force it to deprive public servants and uniformed servicemembers of all the expanded offerings the mutual fund window provides – not just the ones the amendment seeks to target.

While NARFE does not challenge the concept behind this amendment, limitations on investments in specific countries or securities should not be limited to the TSP, but rather apply to all American investments. Otherwise, the policy singles out TSP investors for disparate treatment (and limits the effectiveness of the proposed policy as well).

For the reasons stated above, we urge you to add Feinstein Amendment 209 to the NDAA and reject consideration of Rubio Amendment 523.

Thank you for your consideration of our views. If you have any questions or concerns, please contact NARFE's Staff Vice President for Policy and Programs John Hatton at jhatton@narfe.org.

Sincerely,

A handwritten signature in black ink, appearing to read "William Shackelford". The signature is fluid and cursive, with the first name "William" being more legible than the last name "Shackelford".

William Shackelford
NARFE National President