

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 591

RIN 3206-AG73

Cost-of-Living Allowances (Nonforeign Areas)

AGENCY: Office of Personnel Management.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Office of Personnel Management (OPM) is proposing three regulatory changes in the nonforeign area cost-of-living allowance (COLA) program. One change would allow us to simplify living-cost surveys and analyses used to determine COLA rates by permitting the survey and analysis of living costs at fewer income levels than the three levels currently used. The second change would clarify the types of housing units to be surveyed. The third change would allow the payment of foreign area post differentials without any corresponding offset for the nonforeign area COLA. OPM is also announcing its intention to change the timing of living-cost surveys conducted in Hawaii, Guam, Puerto Rico, and the U.S. Virgin Islands and is inviting comments on this change in timing.

DATES: Comments must be received on or before June 12, 1995.

ADDRESSES: Send or deliver written comments to Donald J. Winstead, Acting Assistant Director for Compensation Policy, Personnel Systems and Oversight Group, Office of Personnel Management, Room 6H31, 1900 E Street NW., Washington, DC 20415.

FOR FURTHER INFORMATION CONTACT: Allan G. Hearne, (202) 606-2838.

SUPPLEMENTARY INFORMATION: Under section 5941 of title 5, United States Code, and Executive Order 10000, as amended, certain Federal employees in nonforeign areas outside the 48 contiguous States are eligible for cost-of-living allowances (COLA's) when local living costs are substantially higher than those in the Washington, DC, area.

Nonforeign area COLA's are paid in Alaska, Hawaii, Puerto Rico, the U.S. Virgin Islands, and Guam and the Commonwealth of the Northern Mariana Islands.

Number of Income Levels Surveyed

To determine COLA rates, OPM conducts living-cost surveys in each of the allowance areas and in the Washington, DC, area. Under § 591.205(b) of title 5, Code of Federal Regulations, OPM is required to estimate living costs at "several income levels." Currently, OPM surveys and analyzes living costs at three income levels.

Some COLA recipients have recommended that OPM simplify the COLA methodology by using only one income level. Conceptually, a multiple income level approach should yield a more balanced measurement of living-cost differences. In application, however, the use of multiple income levels requires certain subjective assumptions. Therefore, OPM believes the overall integrity of the model will not be impaired if fewer income levels are used.

In future COLA surveys and analyses, OPM proposes to use a single income level approach. If we adopt this approach, we will use Washington, DC, area Consumer Expenditure Survey (CES) data, provided by the Bureau of Labor Statistics, Department of Labor, to develop category and component expenditure weights for the COLA model. In the past, some COLA recipients have criticized OPM for using nationwide CES data to develop these weights. (Nationwide CES data are the only data known to OPM that provide expenditure information by income level. Detailed DC-area CES data are not available by income level.) By adopting a single income level approach, OPM would be able to use base area expenditure data to develop category and component weights. Since Washington, DC, is the reference or base area for living-cost surveys, use of DC-area derived weights would be consistent with the overall COLA methodology.

Some COLA recipients have suggested that OPM should use weights based on the expenditures of people in the allowance areas. As OPM has stated in previous **Federal Register** notices, OPM is aware of such consumer expenditure

information for only two allowance areas: Anchorage, Alaska, and Honolulu, Hawaii. Although it might be possible to use allowance area derived weights for these two areas, OPM would not be able to use similarly derived weights for the nine other allowance areas. For this reason and because of the methodological considerations noted above, OPM proposes to use Washington, DC, area weights.

Types of Housing Units Surveyed

OPM is also proposing to clarify in § 591.205(b)(3) the parenthetical phrase "(type, size, age)," which modifies "standard shelter specifications." We believe it is not practical to obtain and compare housing data for each of these three criteria. Since we are modifying this paragraph to accommodate the survey of fewer income levels, we are using this opportunity to clarify the phrase to read "(type and size)".

Nonforeign Area COLA and Foreign Post Differentials

OPM is further proposing to eliminate the requirement in § 591.210(d) that an employee's *nonforeign* area COLA be reduced if the employee also receives a *foreign area* post differential and the two payments combined would otherwise exceed 25 percent of basic pay. OPM has received comments from Federal employees and agencies who believe this regulation can create a disincentive for employees in nonforeign allowance areas to accept long-term temporary assignments in foreign areas. OPM agrees. Therefore, we are proposing to eliminate the requirement that an employee's nonforeign area COLA be reduced if the employee also receives a foreign area post differential.

Survey Timing

OPM is also announcing its intention to change the timing of the summer COLA surveys to correspond with the winter COLA surveys. No regulatory change is required to make this change, but OPM invites comments on the proposed change in timing. Currently, OPM surveys Hawaii, Guam, Puerto Rico, and the U.S. Virgin Islands (often called "tropical allowance areas") in the summer and surveys Alaska in the winter. The Washington, DC, area is surveyed twice—once in the summer and once in the winter.

Some Federal employees have suggested that OPM change the timing of the tropical area surveys to the winter months. OPM reviewed information from the Bureau of Labor Statistics; the Department of Defense Per Diem, Travel, and Transportation Allowance Committee; the Puerto Rico Department of Labor and Human Resources, and the Guam Department of Commerce. With one exception, OPM did not find evidence of significant seasonal variation in prices in the tropical allowance areas or in the Washington, DC, area. The exception was hotel and motel prices, which appear to vary significantly by season in Kauai, Hawaii; Maui, Hawaii; San Juan, Puerto Rico; and the U.S. Virgin Islands. In terms of lodging prices, the "peak tourist season" for these areas seems generally to be the months of January through March.

Although lodging prices may vary significantly by season in some areas, the evaluation of available information leads OPM to believe that most other prices do not. Therefore, changing the timing of the tropical area surveys should have little effect on the COLA rates and will address suggestions made by some COLA recipients. In addition, the change should reduce the survey's public burden and cost. If both the tropical areas and the Alaska areas are surveyed in the January through March time frame, Washington, DC, area prices would be surveyed only once—not twice, as is currently the case. This will reduce the reporting burden of the respondents in the DC area and some of the Government's costs associated with the surveys. Therefore, in view of the COLA recipients' suggestions, the potential benefit to the public and the Government, and anticipated minimal impact, OPM plans to conduct living-cost surveys in Hawaii, Guam, Puerto Rico, and the U.S. Virgin Islands in the first quarter of the calendar year beginning with the next survey, which will be conducted in the first quarter of calendar year 1996.

E.O. 12866, Regulatory Review

This rule has been reviewed by the Office of Management and Budget in accordance with E.O. 12866.

Regulatory Flexibility Act

I certify that this regulation would not have a significant economic impact on a substantial number of small entities because the regulation would affect only Federal agencies and employees.

List of Subjects in 5 CFR Part 591

Government employees, Travel and transportation expenses, Wages.

Office of Personnel Management

James B. King,

Director.

Accordingly, OPM proposes to amend 5 CFR part 591 as follows:

PART 591—ALLOWANCES AND DIFFERENTIALS

Subpart B—Cost-of-Living Allowance and Post Differential—Nonforeign Areas

1. The authority citation for subpart B of Part 591 continues to read as follows:

Authority: 5 U.S.C. 5941; E.O. 10000, 3 CFR, 1943–1948 Comp., p. 792; E.O. 12510, 3 CFR, 1985 Comp., p. 338.

2. Section 591.205 is amended by removing the word "several" in paragraphs (b) and (b)(1) and by adding the words "one or more" in its place; in paragraph (b)(3) by removing the second and third sentences and adding in their place the sentence, "Standard shelter specifications (type and size) and appropriate living communities are selected for survey."; and in paragraph (c) by revising the third sentence to read as follows:

§ 591.205 Comparative cost index.

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(c) * * * When two or more income levels are used in the analyses, the dollar amounts for each income level are weighted into one average amount to reflect the GS grade distribution for the allowance area. * * *

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§ 591.210 [Amended]

3. In § 591.210, paragraph (d) is removed; and paragraphs (e), (f), and (g) are redesignated as paragraphs (d), (e), and (f), respectively.

[FR Doc. 95–11543 Filed 5–10–95; 8:45 am]

BILLING CODE 6325–01–M

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Parts 92 and 98

[Docket No. 94–085–2]

Importation of Sheep and Goats and Germ Plasm From Sheep and Goats

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: We are proposing to amend the animal importation regulations to revise who may issue health certificates for ruminants offered for importation.

This amendment would make the regulations more consistent with regard to different animals and countries and would provide for an alternative method of issuing health certificates. We are also proposing to amend the animal importation regulations to revise the conditions for importing sheep and goats. Likewise, we are proposing to amend the animal germ plasm regulations to revise the conditions for importing germ plasm from sheep and goats. These changes appear necessary to prevent the importation of sheep and goats, and germ plasm from sheep and goats, that may be affected with scrapie.

In addition, we are proposing to amend the animal importation regulations to allow imported goats to be quarantined in privately operated quarantine facilities that meet the requirements that now apply to privately operated quarantine facilities for sheep. This amendment would provide uniform rules for the quarantine of animals which pose an identical disease risk.

Lastly, we are proposing to remove from the regulations health certificate requirements with regard to the importation of sheep from New Zealand. Since it appears that sheep from New Zealand pose no greater disease risk than sheep from other countries, it is no longer necessary to require such sheep to meet special health certificate requirements.

COMMENTS: Consideration will be given only to comments received on or before July 10, 1995.

ADDRESSES: Please send an original and three copies of your comments to Docket No. 94–085–2, Animal and Plant Health Inspection Service, Policy and Program Development, Regulatory Analysis and Development, 4700 River Road Unit 118, Riverdale, MD 20737–1228. Please state that your comments refer to Docket No. 94–085–2.

Comments received may be inspected at USDA, room 1141, South Building, 14th Street and Independence Avenue SW., Washington, DC, between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays. Persons wishing to inspect comments are requested to call ahead on (202) 690–2817 to facilitate entry into the comment reading room.

FOR FURTHER INFORMATION CONTACT: Dr. Joyce Bowling, Staff Veterinarian, or Dr. Roger Perkins, Staff Veterinarian, Animal and Plant Health Inspection Service, Veterinary Services, National Center for Import and Export, 4700 River Road Unit 38, Riverdale, MD 20737–1228. Telephone: (301) 734–8170.