inventory record is not required to be maintained pursuant to § 211.88(c), the seller shall add the cost of such quantities to the cost of all other quantities of the same product for which separate inventory records are not maintained pursuant to § 211.88(c) or pursuant to § 212.92, in making a separate calculation of increased product to § 212.92, in making a separate calculation of increased product costs as defined in § 212.92 to be used in determining its selling price for all sales of products other than those maintained in a separate inventory pursuant to § 211.88(c), subject to all other provisions of this section, including paragraph (f)(1).

* * * * *

13. A new paragraph (e) is added to § 212.167, to read as follows:

§ 212.167 Allocation of increased product costs.

* * * * *

(e) *Separate aggregation and allocation of increased costs of certain imported natural gas liquids and certain imported propane, butane or natural gasoline.* Anything in this subpart to the contrary notwithstanding, if purchased natural gas liquids, or purchased propane, butane or natural gasoline are or have been imported (or are exchanged for imports of such products) and for which separate inventory records are required to be maintained under § 211.88(c), increased costs of such purchased natural gas liquids or such purchased propane, butane or natural gasoline shall be separately calculated for each such separate inventory and shall be allocated to the natural gas liquids or the propane, butane or natural gasoline in such inventory. Increased costs so calculated shall not be available for recovery in the prices of other natural gas liquids or other propane, butane or natural gasoline.

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federal register

Friday
October 19, 1979

Part VI

Department of Energy

Economic Regulatory Administration

Proposed Guideline for Termination of Electric Service and Gas Service Standard Under the Public Utility Regulatory Policies Act of 1978

DEPARTMENT OF ENERGY

Economic Regulatory Administration

[Docket No. ERA-R-79-47]

Voluntary Guideline for Procedures for Termination of Electric Service and Gas Service Standard Under the Public Utility Regulatory Policies Act of 1978

AGENCY: Economic Regulatory Administration, Department of Energy.

ACTION: Notice of Proposed Voluntary Guideline.

SUMMARY: Title I of the Public Utility Regulatory Policies Act of 1978 (PURPA) establishes certain Federal purposes and policy standards for the regulation of electric utilities and imposes certain obligations upon State regulatory authorities and certain nonregulated utilities with respect to the standards established by sections 111 and 113.

Under section 131 of PURPA, the Secretary of Energy is authorized to prescribe voluntary guidelines respecting consideration of standards. Appendix A of this Notice is the proposed voluntary guideline for the standard established by section 113(b)(4) of PURPA, Procedures for Termination of Electric Service. Written comments will be received and one public hearing will be held with respect to the proposed guideline.

DATES: Comments by 4:30 p.m., e.s.t., November 19, 1979. Request to speak by November 13, 1979, 4:30 p.m., e.s.t. Public hearing on November 20, 1979, 9:30 a.m., e.s.t.

ADDRESSES:

All comments addressed to: Department of Energy, Office of Public Hearings Management, Docket No. ERA-R-79-47, 2000 M Street NW., Room 2313, Washington, D.C. 20461.

Requests to speak addressed to: Department of Energy, Office of Public Hearings Management, Docket No. ERA-R-79-47, 2000 M Street NW., Room 2313, Washington, D.C. 20461, telephone (202) 254-5201.

Hearing location: Department of Energy, 2000 M Street NW., Room 2105, Washington, D.C. 20461.

FOR FURTHER INFORMATION CONTACT:

Dr. Stephen S. Skjei, Division of Regulatory Assistance, Office of Utility Systems, Economic Regulatory Administration, Department of Energy, 2000 M Street NW., Room 4016D, Washington, D.C. 20461, telephone (202) 254-8209.

William L. Webb, Office of Public Information, Economic Regulatory Administration, Department of Energy, 2000 M Street NW., Room B-110, Washington, D.C. 20461, telephone (202) 634-2170.

Mary Ann Masterson, Office of General Counsel, Department of Energy, 20 Massachusetts Avenue, N.W., Room 3228, Washington, D.C. 20585, telephone (202) 376-9469.

I. Background

On, November 8, 1978, the President signed into law the Public Utility Regulatory Policies Act of 1978 (PURPA) Pub. L. 95-617, 92 stat. 3117 *et seq.* (16 U.S.C. 2601 *et seq.*), as one part of the National Energy Act.

Section 113(b)(4) of PURPA establishes a standard on Procedures for Termination of Electric Service for State regulatory authorities and certain nonregulated electric utilities. The standard applies to those electric utilities whose annual retail sales exceed 500 million kilowatt-hours in any calendar year beginning with 1976 and ending two years before the reporting year. Section 115(g) sets forth certain special rules regarding this standard.

The standard, which must be considered by State regulatory authorites and certain nonregulated utilities in a manner specified by PURPA, provides that

(1) No electric service to an electric consumer may be terminated unless reasonable prior notice (including notice of rights and remedies) is given to such consumer and such consumer has a reasonable opportunity to dispute the reasons for such termination, and

(2) During any period when termination of service to an electric consumer would be especially dangerous to health as determined by the State regulatory authority (with respect to an electric utility for which it has ratemaking authority) or nonregulated electric utility and such consumer establishes that—

(A) He is unable to pay for such service in accordance with the requirements of the utility's billing, or

(B) He is able to pay for such service but only in installments.

such service may not be terminated.

Special provisions shall be made to take into account the need to include reasonable provisions for elderly and handicapped consumers.

Section 131 of PURPA authorizes the Secretary of Energy to prescribe voluntary guidelines respecting consideration of the 11 PURPA standards.

II. Guideline on Procedures for Termination of Electric Service

The purpose of this voluntary guideline is to assist State regulatory authorities and nonregulated utilities in their consideration of the Procedures for Termination of Electric Service standard established under Title I of PURPA. The guideline addresses four major issues raised in PURPA section 115(g): Reasonable prior notice, reasonable opportunity to dispute, protection during health emergencies, and special provisions for elderly and handicapped. The guidance set forth herein is advisory in nature and is not legally binding. It does, however, constitute DOE's opinion on the issues that should be addressed when considering the termination standard. Accordingly, the guideline complements, and is fully consistent with, the other activities undertaken by DOE pursuant to PURPA.

Section 131 of PURPA authorizes the Secretary of Energy to prescribe voluntary guidelines for the PURPA standards which relate to electric utilities; however, section 303(b)(1) of PURPA establishes a termination of service standard for natural gas utilities parallel to that established by Title I of PURPA for electric utilities. Because of the importance of this standard for both electric and gas consumers, it is DOE's opinion that State regulatory authorities and nonregulated utilities should consult the proposed guideline when considering the termination of serivce standard for natural gas utilities, as well as when considering the termination of service standard for electric utilities.

III. Written Comments and Public Hearing Procedures

A. Written Comments

The public is invited to participate in this proceeding by submitting to DOE's Economic Regulatory Administration (ERA) information, views or arguments with respect to the proposals set forth in Appendix A to this Notice. Comments should be submitted by 4:30 p.m., e.s.t., November 19, 1979, to the address indicated in the "ADDRESSES" section of this Notice and should be identified on the outside of the envelope and on documents submitted with the designation: "Proposed Voluntary Guideline on Procedure for Termination of Electric and Gas Service, Docket No. ERA-R-79-47." Five copies should be submitted. All comments received will be available for public inspection in the DOE Reading Room, GA-152, James Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, and the ERA Office of Public Information, Room B-110, 2000 M Street, N.W., Washington, D.C. 20461 between the hours of 8:00 a.m. and 4:30 p.m. e.s.t., Monday through Friday.

Pursuant to the provisions of 10 CFR 1004.11 (44 FR 1908, January 8, 1979), any person submitting information which he or she believes to be confidential and which may be exempt by law from public disclosure should submit one complete copy and 15 copies from which information claimed to be confidential has been deleted. In accordance with the procedures established at 10 CFR 1004.11, DOE shall make its own determination with regard to any claim that information submitted be exempt from public disclosure.

B. Public Hearing

(1) Procedures for request to make oral presentation. The times and places for the hearing are indicated in the "DATES" and "ADDRESSES" sections of this Notice. Any person who has an interest in this proposed guideline or represents a person, group or class of persons that has an interest, may make a written request for an opportunity to speak at the public hearing. Request to speak must be sent to the address shown in the "ADDRESSES" section and be received by November 9, 1979. The request should include a telephone number where the speaker may be contacted through the day before the hearing.

All persons participating in the hearing will be so notified on or before November 14, 1979. Speakers should submit 100 copies of their hearing testimony for distribution at the hearing by 4:30 p.m. e.s.t. on November 19, 1979, to the Office of Public Hearings Management, U.S. Department of Energy, Room 2313, 2000 M Street, N.W., Washington, D.C. 20461.

(2) Conduct of the hearing. ERA reserves the right to schedule participants' presentations and to establish the procedures governing the conduct of the hearing. ERA may limit the length of each presentation based on the number of persons requesting to be heard. ERA encourages groups that have similar interests to choose one appropriate spokesperson qualified to represent the views of the group.

ERA will designate officials to preside at the hearings. These will not be judicial-type hearings. Questions may be asked only by those conducting the hearings. At the conclusion of all initial oral statements, each person who has made an oral statement will be given the opportunity, if time permits, to make a rebuttal statement. Rebuttal statements, will be given in the order in which the intial statements were made and will be subject to time limitations.

Questions to be asked at a hearing should be submitted in writing to the presiding officer. The presiding officer will determine whether the question is relevant, and whether time limitations permit it to be presented for answer. The question will be asked of the witness by the presiding officer. The presiding officer will announce any further procedural rules needed for the proper conduct of the hearings.

ERA will have a transcript made of the hearing and will retain the entire record of the hearing, including the transcript. The record will be available for inspection at the DOE Freedom of Information Office, Room GA-152, James Forrestal Building, 1000 Independence Avenue SW., Washington, D.C. 20585 and the ERA Office of Public Information, Room B-110, 2000 M Street NW., Washington, D.C. 20461, between the hours of 8:00 a.m. and 4:30 p.m., e.s.t., Monday through Friday. A copy of the transcript may be purchased from the reporter.

(Public Utility Regulatory Policies Act of 1978 Pub. L. 95-617, 92 Stat. 3117 *et seq.* (16 U.S.C. 2601 *et seq.*): Department of Energy Organization Act, Pub. L. 95-91 (42 U.S.C. 7101 *et seq.*).)

Issued in Washington, D.C., on October 15, 1979.

Jerry L. Pfeffer,

Assistant Administrator for Utility Systems, Economic Regulatory Administration.

Appendix

Title: PURPA Guideline Number 2: Procedures for Termination of Electric Service and Gas Service.

Introduction. This guideline provides general advisory assistance to State regulatory authorities and nonregulated utilities on the issues that the Department of Energy (DOE) believes should be addressed when considering the termination of service standard. It is recognized that implementation of the recommendations in this guideline may require changes in State laws or regulations under which such authorities and utilities now operate.

The intent of this guideline is to suggest and discuss procedural matters pertinent to safeguarding consumer rights and remedies with respect to the termination of electric utility service, and to effectuate the basic purpose of PURPA to prevent endangerment to public health and safety as a result of power cut-offs.

For the elderly, the handicapped, and the ailing, termination of electric service can result in real risks to health and safety. Termination of electric service substantially reduces a consumers ability to keep clean, to cook, to keep warm, and to avoid danger and accidents in darkened areas. DOE believes that the purpose of the Termination of Service Standard was to prevent these causes of endangerment to public health and safety resulting from power cut-offs. Accordingly, DOE believes (a) that electric service should not be terminated, particularly in winter months, when termination would be dangerous to the health and safety of the consumer, (b) that the unique problems of elderly and handicapped consumers should receive reasonable consideration before electric service is terminated, and (c) that all consumers are entitled to due process before service is terminated.

Coverage. This guideline covers the PURPA standard on Procedures for Termination of Electric Service. It is DOE's opinion that the guideline should also apply to the PURPA standard for Procedures for Termination of Natural Gas Service. In this guideline, any reference to electric utilities also applies to gas utilities.

Definitions. As used in this guideline, except as otherwise specifically provided—

"Electric consumer" means any person, State agency or Federal agency to which electric energy is sold other than for purposes of resale.

"Electric utility" means any person, State agency, or Federal agency, which sells electric energy.

"Nonregulated electric utility" means any electric utility other than a State regulated electric utility.

"State" means a State, the District of Columbia and Puerto Rico.

"State agency" means a State, political subdivision thereof, and any agency or instrumentality of either.

"State regulatory authority" means any State agency which has ratemaking authority with respect to the sale of electric energy by any electric utility (other than such State agency), and in the case of an electric utility with respect to which the Tennessee Valley Authority has ratemaking authority, such term means the Tennessee Valley Authority.

Organization and Content. The guideline is organized around four major issues surrounding the termination of service standard:

A. Reasonable Prior Notice—What constitutes reasonable prior notice of termination?

B. Reasonable Opportunity to Dispute—What constitutes a reasonable opportunity to dispute the reasons for termination?

C. Protection during Health Emergencies—What provisions are reasonable to protect consumers who are unable to pay their bills or who are only able to pay in installments during a period when termination of service would be especially dangerous to health?

D. Reasonable Provisions for Elderly and Handicapped—What provisions should be made for elderly and handicapped consumers?

Each of these issues and important factors which must be taken into account when addressing them are discussed in turn.

A. Reasonable Prior Notice

Section 115(g)(1) of PURPA requires that reasonable prior notice (including notice of rights and remedies) be given to an electric consumer prior to termination. It is DOE's opinion that reasonable prior notice requires utilities to provide consumers with both a statement of termination policy and a clear and informative notice of proposed termination.

1. *Statement of termination policy.* The current general policy statement should be provided, in clear and understandable language, to all existing consumers and to all new consumers when they initiate service. Where a substantial percentage of a utility's consumers do not speak English, the statement should also be printed in an appropriate second language. The general policy statement should include the following information:

(a) The general starting and ending dates of the payment period,

(b) The time allowed to pay outstanding bills,

(c) The time allowed to make arrangements for payment and the nature of available arrangements,

(d) The contact point (name and telephone number) for inquiries and complaints,

(e) The time allowed to initiate a complaint, and

(f) Instructions for designating (1) a third party (agency or individual) to receive a copy of a termination notice, (2) elderly or handicapped status, and (3) presence of appliances essential for maintenance of health or safety.

2. *Notice of proposed termination.* The following general information should be included in all notices:

(a) Identification of customer and service account affected by proposed termination,

(b) Statement of reasons for termination,

(c) Date of proposed termination,

(d) Amount of reconnection fee if any, and

(e) Notice of rights and remedies.

The last of these, a notice of rights and remedies, should contain information on the following:

(a) Procedures to dispute and appeal the termination notice, including the office address and telephone number of the utility representatives available to handle complaints or inquiries,

(b) Appropriate administrative or other action to take in order to avoid termination,

(c) Provisions relating to elderly and handicapped consumers,

(d) Provisions for consumers who are unable to pay their bills and steps necessary to make a claim of inability to pay, as well as alternative payment arrangement, and

(e) Sources of financial assistance.

The notice of rights and remedies should also state whether and, if so, under what circumstances a consumer must pay that portion of a bill which is in dispute while the dispute process is under way.

In cases where termination is based on failure to pay, each notice of termination should include the following additional information:

(a) Dates of meter readings for period of unpaid service,

(b) Designation of the bill in question as actual or estimated,

(c) Amount owed and time period over which amount was incurred, and

(d) Statement of provisions available to elderly and handicapped consumers, as well as those unable to pay their bills, and procedure for utilizing those provisions.

Notices of proposed termination should be provided, in clear and understandable language, in sufficient number and frequency and with a sufficient number of days advance notice so as to allow a consumer a reasonable opportunity to respond properly. Neither consumers nor the utility benefit by hasty termination. Local practice for overdue bills may provide an indication of the minimum number and frequency of notices and time allowed for consumer response.

The first notice should be sent by first class mail. If the utility receives no response, the second or subsequent notice should be delivered by registered or certified mail, or by personal contact (telephone or visit). Notices should be provided to the account name and address and, if different, to the address where service is provided, as well as any other party previously designated by a consumer to receive a copy of a termination notice. As with the general statement of policy, the notice should be provided in alternate languages where appropriate.

Tenants who pay for electric service as part of their rent (or as part of purchase payments) in master metered buildings should be individually notified of any proposed termination. In addition, tenants should be collectively notified by posting termination notice(s) in conspicuous locations such as near mail boxes, building entrances and exits, and other areas of common usage. In general, termination of service should not occur until after tenants are advised of possible alternatives to termination such as (a) recourse through agencies responsible for enforcing housing codes, (b) paying for continued service individually or collectively, and (c) other possibilities available in the jurisdiction involved.

B. Reasonable Opportunity to Dispute

Section 115(g)(1) of PURPA requires that the consumer be given a reasonable opportunity to dispute the reasons for termination of service prior to termination. It is DOE's opinion that reasonable opportunity to dispute a notice of termination requires that prior notice be given in the manner defined above and that procedures for disputing the reasons for termination with the utility and before the State regulatory authority, or a designated alternate agency, be clearly defined. In general, DOE believes that service should not be terminated while the dispute is being processed in accordance with established procedures.

1. *Utility dispute procedures.* The steps required to file and process a complaint or dispute with the utility, and the required procedures to be adhered to by a utility in handling disputes should be clearly set forth in the rules and regulations of the State regulatory authority and the nonregulated utility. These procedures should include a requirement that the utility involved render in writing to the consumer all decisions concerning a complaint or dispute which are unfavorable to the consumer.

2. *State regulatory authority procedures.* Procedures should be adopted which provide for disputes which cannot be resolved by the utility and the consumer to be brought by either party to the State regulatory authority, or a designated alternate agency, for resolution. An indigent consumer should not be required to pay an advance filing fee.

The steps required to file and process a complaint or dispute with the State regulatory authority, or a designated alternate agency, and the procedures to be followed in hearing disputes between the utility and consumer should be set forth in clear and understandable language in the rules and procedures of the State regulatory authority and should include the following:

(a) Definition of right of representation,

(b) Definition of power of subpoena,

(c) Definition of right to present evidence and testimony, oral and written argument,

(d) Definition of right to confront witnesses,

(e) Location of burden of proof.

(f) Applicable rules of evidence,

(g) Method of recording any proceeding,

(h) Identity of hearing officer,

(i) Findings and decision, and

(j) Appeal.

These procedures should be designed to provide an effective opportunity for the customer to present any opposition or alternatives to the proposed termination.

C. Protection During Health Emergencies

Section 115(g)(2) of PURPA provides that service may not be terminated if a consumer establishes inability to pay for service in accordance with the requirements of the utility's billing, or ability to pay only in installments during any period when termination would be especially dangerous to health, as determined by the State regulatory authority or nonregulated utility.

In DOE's opinion, the following are periods especially dangerous to health: The entire winter season and/or a period when the consumer or party residing at the consumer's address is or is likely to become seriously ill as a result of, or a serious threat to human safety may result from, service termination. To provide reasonable protection during such situations, the State regulatory authority or nonregulated utility should define or establish the following:

(1) Periods when postponement of termination should be granted,

(2) All steps required of a consumer asserting the presence of serious illness or that serious illness may follow termination,

(3) Number of times postponement of termination of service for health related reasons may be granted,

(4) All steps required of a consumer asserting inability to pay or ability to pay only in installments,

(5) All steps required of a utility in responding to assertions of inability to pay or ability to pay only in installments,

(6) Procedure for resolving disputes about assertions of inability to pay or of serious illness,

(7) An installment plan which permits flexibility based on the amount of money owed, consumer's ability to pay, consumer's payment history, time that the debt has been outstanding, reasons why the debt has been outstanding, and any other relevant factors, and

(8) All steps required of a utility in the event a consumer does not meet the requirements of the agreed upon installment plan.

D. Reasonable Provisions for Elderly and Handicapped

According to section 115(g) of PURPA, the procedures for termination of service shall take into account the need to include reasonable provisions which consider unique problems of elderly and handicapped consumers.

The criteria for justification for specific provisions applicable to elderly and handicapped consumers should be set forth clearly within the State regulatory authority's rules and regulations or the nonregulated utility's policy governing termination of service.

Elderly and handicapped consumers should be given at least two notices of proposed termination. The final notice should be made through personal contact.

Prior to terminating service to elderly and handicapped consumers, the utility should be required to notify the State regulatory authority or a designated alternate agency identified by that authortity.

[FR Doc. 79-32232 Filed 10-18-79; 8:45 am]

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federal register

Friday
October 19, 1979

Part VII

Department of Energy

Solar in Federal Buildings Demonstration Program Rules

DEPARTMENT OF ENERGY

10 CFR Part 436

[Docket No. CAS-RM-79-401]

Solar in Federal Buildings Demonstration Program Rules

AGENCY: Department of Energy.

ACTION: Notice of Final Rulemaking.

SUMMARY: The Department of Energy today establishes a new Part 436 in Title 10 of the Code of Federal Regulations for rules governing programs to conserve Federal energy use and to promote consumption of renewable energy sources under the Energy Policy and Conservation Act, as amended, Executive Order 11912, as amended, and the National Energy Conservation Policy Act. This notice inaugurates the new Part 436 by finalizing rules for the administration of the Solar in Federal Buildings Demonstration Program under Title V, Part 2, of the National Energy Conservation Policy Act. These rules set forth requirements and procedures for the submission and content of Federal agency proposals, criteria for evaluation and selection of projects to be funded, transfer of funds for approved projects, and periodic reports with respect to the maintenance and operation of active and passive solar heating and solar heating and cooling demonstration projects in Federal buildings.

EFFECTIVE DATE: November 19, 1979.

FOR FURTHER INFORMATION CONTACT:

William A. Lemeshewsky, Office of Conservation and Solar Energy, Department of Energy, Room 2221C, 20 Massachusetts Avenue, N.W., Washington, D.C. 20585, (202) 376-9600.

Neal J. Strauss, Office of the General Counsel, Department of Energy, Room 3228, 20 Massachusetts Avenue, N.W., Washington, D.C. 20585, (202) 376-9472.

SUPPLEMENTARY INFORMATION:

I. Background

In a notice of proposed rulemaking (NOPR) published on April 2, 1979 (44 FR 19328), the Department of Energy (DOE) proposed to establish a new Part 436 in Title 10 of the Code of Federal Regulations for rules governing programs to promote energy conservation and use of renewable energy sources by Federal agencies. Specifically, the NOPR set forth proposed rules to inaugurate Part 436 by implementing the Solar in Federal Buildings Demonstration Program under Title V, Part 2, of the National Energy Conservation Policy Act. These proposed rules included provisions governing procedures for the submission and content of Federal agency proposals, criteria for evaluation and selection of projects to be funded, transfer of funds for approved projects, and periodic reports with respect to the maintenance and operation of active and passive solar hearing and solar heating and cooling demonstration projects in Federal buildings. For the reasons stated in the preamble to the NOPR, DOE concluded that although these rules are significant under Executive Order No. 12044, 43 FR 12661 (March 24, 1978), they do not have the kind of impacts which call for a regulatory analysis or an environmental impact statement under the National Environmental Policy Act of 1969, 42 U.S.C. 4321 *et. seq.* A public hearing was held on the NOPR on April 17, 1979, in Washington, D.C. and the record remained open for the submission of written comments until May 31, 1979. A major purpose of this program is to show Federal confidence in and focus public attention on proven applications of solar heating and solar heating and cooling technology which can be used in the private sector.

II. Discussion of Comments

In response to the NOPR, five persons presented oral testimony at the public hearing, and 21 written comments were received. The final rules promulgated today are a revised version of the proposed rules reflecting technical changes and changes in response to public input. The following is a discussion of the relevant issues raised by commentors which call for a DOE response. Important, general issues which arise out of comments are treated first and a discussion of comments directed at specific sections of the proposed rules follows.

A. General Issues

1. *Role of Passive Solar Energy Systems.* Several commentors expressed concern that the proposed rules tended to overemphasize "active solar energy systems" at the expense of "passive solar energy systems" and to overlook the desirability of minimizing buildings loads by using a passive solar energy system in tandem with an active one. Generally speaking, and as defined by § 436.71, "active solar energy systems" are distinguishable from "passive solar energy systems" because they rely on mechanical equipment (pumps or fans) to move heat transfer fluids or air throughout the systems. In contrast, passive solar energy systems rely on a structural design which involves natural convection, conduction and radiation. Since passive solar energy systems are often cost effective in new buildings and should be attractive to the private sector, it is vitally important for the DOE Solar in Federal Buildings Demonstration Program to give them appropriate emphasis, and to achieve this objective, certain substantive changes have been made.

In response to a specific suggestion by one commentor, DOE has revised the definition of the key term—"solar energy equipment" in proposed § 436.71. The proposed definition was: "* * * equipment which is for active or passive solar hot water heating, heating, heating and cooling including but not limited to collectors, storage devices, heat exchangers, south-facing glazing, mountings, piping, valves, gauges and contols." That definition was an elaboration of the same term that appears in the authorizing language of Title V, Part 2, of the NECPA. The words easily connote the mechanical equipment common to active solar energy systems, but do not as readily call to mind specially designed building components and materials such as thermal storage walls. DOE believes that the Congress intended that some or all of the cost of passive systems be fundable. In order to provide more clearly for funding of building components and materials designed to capture solar energy, DOE today promulgates a modified definition of the term "solar energy equipment" which reads: " 'Solar energy equipment' means building components, materials, or other items of equipment which are the means for passive or active solar heating, hot water, or heating and cooling including but not limited to collectors, storage devices, heat exchangers, south-facing glazing, mountings, piping, instrumentation, pumps, valves, guages, and controls."

DOE has also revised the selection criteria of § 436.78(c) to emphasize the desirability of taking advantage of passive solar energy systems. As revised, the section gives weight to proposed projects which take account of feasible opportunities to include such a system in the design of a building.

Finally, in response to one of the comments, DOE is also modifying the proposed forms for agency proposals which were made available in the public file. One of these forms, which is to be used by agencies submitting cost data on proposals, contained a statement to the effect that passive and process heat applications were subject to restraints due to funding limitations. The phrase "funding limitations" referred only to the overall program constraint created by limited appropriations, a constraint which applies to the funding of active solar energy systems as well as passive ones. Because the statement in question apparently was ambiguous and is unnecessary, it has been deleted.

2. *Provisions for Energy Conservation Measures.* Some commentors suggested the need for changes to require energy conservation measures to be included as part of a proposal to install "solar energy equipment." One commentor referred to various conservation technologies to reduce consumption of scarce fossil fuel Btu's, technologies which did not involve control of insolation. Another referred to waste heat recovery and biomass. However, none of the persons commenting on this aspect of the program suggested specific language changes.

In response to these comments, DOE has modified the screening criteria of § 436.78(b) so that proposed projects will be rejected if, for the building in question, the application does not show that appropriate energy-saving changes in operation and maintenance practices and cost effective non-solar energy conservation measures to reduce building energy loads have been implemented or are scheduled and budgeted. This criterion should result in smaller, less expensive systems in many cases.

It should be noted that the proposed rules did encourage conservation actions. Proposed § 436.78(d) provided for preference in selection for "innovative and diverse applications" a term which was defined to include combinations of solar energy systems and innovative non-solar energy conservation measures.

3. *Technical Support by Other Federal Agencies.* In the past, DOE has availed itself of technical support by other Federal agencies with expertise to contribute to the administration of solar and other programs. DOE has decided to follow that practice for this program by calling upon the National Aeronautics and Space Administration (NASA) for technical support.

One of the commentors criticized a possible arrangement with NASA, arguing that DOE should be the manager of the program with responsibility for oversight and evaluation. That comment was based on the mistaken assumption that DOE intended to delegate management responsibility to NASA. In fact, DOE will be actively managing all aspects of the program including final evaluation of proposals and oversight. NASA will make recommendations to DOE and provide technical support services which cannot be obtained from any other source in the short term. This arrangement with NASA is essential to make the program operational as soon as possible.

4. *Relationship to Other Conservation and Solar Programs.* Some of the comments received by DOE in response to the NOPR indicated a lack of awareness of other programs involving a broader range of conservation and solar technologies or raised questions about the relationship of the Solar in Federal Buildings Demonstration Program to some of those other programs. As was noted at the outset, this program is primarily a market initiative intended to show Federal confidence in and to focus public attention on applications of solar heating and cooling technology which the private sector can be using. It is also intended to reduce consumption of nonrenewable fossil fuels. Other programs with similar objectives are the Federal Buildings Program to reduce building energy use on a cost effective basis, the Federal Photovoltaic Utilization Program, the Residential Energy Conservation Service Program, the Schools and Hospitals Grant Program, the Solar Heating and Cooling Demonstration Program (under the Solar Heating and Cooling Demonstration Act of 1974), and the Department of Defense Military Construction Program. To ensure that these programs are properly coordinated, DOE has instituted regularly scheduled meetings among representatives of these programs. In addition, meetings are scheduled with Federal agencies involved in significant building construction activities such as the General Services Administration so that all Federal participants can better utilize and be aware of Federal activities related to solar energy. In this manner, DOE and other Federal agencies will exchange information, avoid duplication, and improve efficiency in carrying out their respective programs.

B. Comments on Particular Sections

1. *Section 436.71—Definitions*

"Design Costs". One commentor questioned whether the definition of "design costs" included costs incurred as a result of Federal agency personnel performing the designing activity. DOE considers design costs to be fundable regardless of who specifically performs the actual design so long as it is done by qualified personnel subequent to project selection by DOE and the expenditures can be audited.

Based on DOE experience with solar demonstration programs, DOE recommends that Federal agencies utilize experienced solar design personnel in either formulating their designs or in the review of the design in order to minimize any potential problems and to draw from current solar experiences and accepted practices. In this manner, agencies can attempt to minimize significant design problems.

"Non-Fundable Costs". Several comments were submitted which dealt with the question of whether costs incurred by a Federal agency in the preparation of its proposal (sunk design costs) should be fundable. Two commentors suggested that sunk design costs should be included under the "non-fundable cost" category. However, another took a contrary viewpoint, pointing out that at least one Federal agency normally does not request design funds separate from the request for funds for the entire project. As the NECPA specifically limits financial assistance to the design, acquisition, construction and installation of a solar energy equipment, DOE has specifically placed proposal costs and sunk design costs under non-fundable costs. DOE does not believe that this feature of the program will be especially burdensome since the conduct of a detailed architectural and engineering study is not necessary for a proposal.

"Process Heat Application". The preamble to the proposed rules mentioned the possibility that an application of solar heating technology to provide process heat in a Federal building might be funded. Process heat is energy for production of goods, services, or commodities. A definition for the terms "process heat application" has been added to the rules, and a funding limit of $1,000,000 based on experience has been set for a project involving such an application.

"Passive Solar Energy Systems". One comment raised the question of whether daylighting of buildings is considered a passive solar energy system. Daylighting involves a structural feature such as a special skylight to control exposure to sunlight and to minimize internal heating and cooling loads. DOE considers that daylighting used to supply or control all or part of the heating or space heating and cooling requirements of a building may be a passive solar energy system.

"State". One commentor urged DOE to delete the definition of "State" and provide for demonstrations in foreign countries. DOE did not accept this recommendation because the program is aimed at enhancing the domestic market.

2. *Section 436.72—Procedures for Submitting Proposal.* One commentor asked whether DOE proposal evaluation procedures would be structured so that agencies could submit proposals every 60 days during the program period. The procedures will not be so structured. DOE anticipates publishing a notice

inviting further proposals in the spring of 1980.

3. *Section 436.73—Summary of Content of a Proposal.* Several comments were received regarding the information required in a proposal. A few comments suggested that DOE was creating unnecessarily complex and time consuming requirements for submitting a proposal and thereby discouraging agencies from applying. DOE is aware of the potential burden that any proposal requirement may impose on an agency. In the creation of the proposal requirements in accordance with statutory provisions, DOE attempted to minimize the proposal information required for evaluation. The forms referenced in this rule were carefully reviewed prior to the issuance of the proposed rule and also as a result of comments submittted during the comment period. DOE considers the general project information, the technical project information, and the project cost information required as a result of the statutory provisions establishing this program to be a minor burden on the agency and the minimal amount of information needed by DOE in carrying out its duties assigned by the legislation. The basic information requirements have been summarized on a form to simplify the application process. These forms do not necessitate that a complete solar energy system design be completed at the time of submission. DOE emphasizes that only conceptual information regarding the proposed systems and basic building information is required. DOE's attempt to assess the feasibility of the concept will be aimed at determining the basic validity of the agency's approach and ensuring that major issues have not been overlooked.

In conferences held in the ten DOE regions, DOE has attempted to assist Federal agency personnel in understanding and completing the information required in the forms. DOE hopes that these conferences have assisted agencies in understanding the requirements of the program. Additional technical and solar conferences will be held in the regions to assist Federal agency personnel in solar and program-related activities.

4. *Section 436.74—Required Program Information.* Several comments expressed doubts about some of the proposed agency reporting requirements applicable to the period of construction. Questions were raised as to the need for quarterly status reports, final construction status reports, reproducible drawings, design review results, acceptance testing plans, and the operation and maintenance manual. A few comments stated that these requirements would result in excessive expenses in the operation of the program. DOE is well aware of the potential expense of some of these items and has made every attempt to minimize these requirements consistent with its management responsibility. With the exception of the quarterly status report, DOE believes that anyone properly designing and constructing a solar energy system would require all of the above-mentioned items and that belief is based upon past and on going experience with solar heating and cooling demonstration projects. Insofar as the quarterly design and construction status reports are concerned, DOE considers them to be essential for its management function. DOE estimates that these reports could be done on each project in several pages including one or two charts or tables. Every attempt has been made to minimize reporting burdens, but DOE does not think that further deletions are warranted.

5. *Section 436.75—Required General Project Information.* The information requirements of proposed § 436.75 were reviewed in light of comments criticizing the rules because of burdens entailed in responding. It was decided to eliminate some of these objectionable requirements which would have yielded information of marginal value. The eliminated provisions were items, such as number of buildings in surrounding area, which were somewhat relevant to the "visibility" selection criterion which will not influence decisionmaking as heavily as the other criteria in § 436.78.

6. *Section 436.76—Technical Project Information.* A number of comments were received on particular aspects of technical project information requirements. DOE considered these comments, reviewed the potential burden involved in responding, and modified specific provisions accordingly.

Several comments proposed the introduction of additional design requirements. One comment suggested the use of natural ventilation as a prerequisite to the installation of solar energy cooling equipment. Another comment suggested that a limit be imposed on fossil fuel. Btu's to be consumed in the operation of an active solar energy system to insure that the energy consumed to operate pumps for example is not excessive. These and other specific suggestions for identifying and improving the technical aspects of individual designs are useful, and will be considered, as appropriate, in evaluating the merits of proposed projects.

One comment was received which addressed the problem of potential confusion in evaluating combined active and passive projects if no distinction is made between Btu consumption and cost figures. DOE is aware of the potential difficulty in evaluating certain types of combined solar energy systems. However, the program forms provide for separate calculation of performance and cost of active and passive solar energy systems, respectively, even if combined in a proposed project. The active and passive solar energy systems will be evaluated on their individual merits and then on their combined merits to insure proper integration.

Several commentors suggested revising provisions of the rules incorporating the National Bureau of Standard (NBS) Interim Performance Criteria and HUD Minimum Property Standards. The suggested revisions involved substitution of recent privately developed standards such as the thermal performance certification standard of the Solar Energy Industries Association (SEIA). DOE does not regard the specific standards suggested as final voluntary consensus standards and it would therefore be inappropriate to incorporate them into the rules at this time.

Another comment questions the validity of the standards DOE proposed to use and suggested that they might hamper the use of successful solar energy systems. DOE believes that the standards do in fact promote the use of reliable, commercially-available and environmentally-safe solar energy equipment and that they should not be deleted.

Another comment suggested that certain forthcoming modifications to the NBS standards be included in the final rules. Because the modifications to the standards have not yet been finalized, DOE feels that it would be inappropriate to incorporate the changes at this time.

As SEIA, NBS, and other relevant standards become final, DOE will be examining them, and, at an appropriate time, expects to publish a notice of inquiry seeking public comment on the advisability of using one or more of them in DOE programs such as the Solar in Federal Buildings Demonstration Program. Should the DOE decide to incorporate any of these standards in this program, today's final rule will be revised appropriately.

Several commentors opposed the requirement for a minimum five-year limited warranty on the solar collectors from the manufacturer and suggested that the warranty period be reduced.

They pointed out that the five-year limited warranty was inconsistent with three-year warranties usually provided by manufacturers in the heating and cooling industry, that the warranty provisions might impede the growth of the solar collector manufacturing industry, and that the additional costs incurred by solar collector manufacturers to maintain a five-year limited warranty might be passed on to the consumer. Based on the current practices with regard to the period of warranties, DOE determined that a three-year limited warranty on the solar collectors from the manufacturer would be acceptable at present. This change has been incorporated into the final rules. However, in view of the five-year warranties common to conventionally powered energy systems, DOE feels that solar consumers will eventually demand, and solar manufacturers will offer, a five-year limited warranty on the solar collectors.

An additional comment focused on the specific aspect of the warranty requirements providing for reasonable inspections on request, by installers and manufacturers at no cost to the Federal agency, to investigate complaints regarding possible defects in materials, manufacture, or installation and take expeditious corrective action. The commentor felt that the requirement was unfair and that a limit to the complaints should be inserted in the rules. DOE does not agree that a limit is appropriate, but encourages agencies to ensure that complaints are made only when a valid concern or problem exists.

One commentor urged DOE to insert a requirement for consultation with a qualified architectural or engineering firm when a detailed architectural and engineering study seems appropriate. In most instances these kinds of studies will be unnecessary in order to formulate a proposal, and in any event, the desirability of engaging firms with demonstrated qualifications at an appropriate time is obvious. DOE was not persuaded that this suggested insertion was desirable.

Another comment focused on the requirement that Federal agencies describe the method of calculation for determining the optimized solar collector area and on the preamble discussion of possible computer programs usable for this purpose. This comment urged that other acceptable computer programs be acknowledged or that the mention of government-sponsored programs be deleted. It was argued that mention of certain programs represented an implied endorsement of them and should be avoided. DOE recognizes that other solar design calculation programs are available in the public and private sectors and encourages the use of any reasonable technique. The reference to specific computer programs in the preamble was intended only as an example and not as an endorsement of any one program. Furthermore, DOE does not intend to discourage the use of alternate programs and has not specifically named any particular computer program in the rules.

7. Section 436.78—Evaluation Procedures and Criteria. Several comments were received on various aspects of the evaluation procedures and criteria. DOE considered these comments and determined that no basic changes in these procedures and criteria are necessary.

One commentor contended that the statement allowing dismissal of proposals if the cost estimates are unrealistic needs further clarification unless each proposal is to be subjected to a varying standard. The commentor offered no specific language changes. Another noted that the evaluators would need to be thoroughly familiar with the best local and agency cost data available. DOE agrees with the latter observation, but has decided that further elaboration on this provision would eliminate essential flexibility.

A number of comments addressed the proposed selection criterion of visibility. One commentor opposed the inclusion of visibility on the basis of experience which indicated that large installations tended to discourage the layman. The commentor argued that consumers would think their homes would require systems as large and as expensive. Another comment commended the provisions regarding selection criteria but expressed concern over the possibility that the visibility criterion would lead to "gold-plated," custom-built solar energy systems. One comment recommended that all Federal Buildings be eligible for DOE selection regardless of their visibility. A final comment urged that DOE accept proposals for Federal facilities not highly visible to the public due to limited access or remote locations. It is doubtful that DOE will approve projects simply because they are visible. The projects likely to be approved are those that score high when all the criteria are applied. Nevertheless, since an object of the program is to illustrate applications of solar heating and cooling technology for the public that they may want to apply to their own circumstances, visibility based on location and public access is an important consideration which should not be deleted.

Another comment suggested that some modification should be allowed in the replication criterion to account for the type of Federal buildings unique to the public sector. This suggestion has been accepted.

One comment recommended that an additional selection criterion be included: The degree to which the project is monitored to show its compatibility with the conventional energy network. The impact of solar energy systems on the conventional energy network and utility rates is a subject being considered by DOE pursuant to the President's direction to issue voluntary guidelines applicable to solar energy for the eleven rate standards established in the Public Utility Regulatory Policies Act of 1978 (Pub. L. 95–617). In light of that effort, DOE sees little to be gained by adding the suggested selection criterion and desires to avoid the drain on the program budget which the instrumentation implied by the criterion would necessitate.

Another comment recommended that some provisions be included to recognize the true value of solar energy to the nation including such benefits as minimal pollution, supplanting the use of fossil fuels, and national security or balance of payments improvements. It was suggested that the use of replacement cost pricing for the displaced conventional energy could help. This issue and others concerning economic evaluation of investments will be addressed in the forthcoming notice of final rulemaking on the life cycle costing methodology which will be applicable to this program.

Several comments were received on the relative importance of the proposed selection criteria. In the preamble of the NOPR, DOE had invited public comment on the desirability of assigning points (weighting factors) to each selection criterion. In general, the comments discussed the merits and, to a lesser degree, the relative importance of the proposed selection criteria. There were, however, no specific suggestions for assigning weights. In order to show its priorities more clearly, DOE has revised § 436.78 to include specific percentages for each selection criteria. The highest percentages have been attached to the factors which correlate best with the program objective of demonstrating proven, cost effective, commercially available solar energy equipment. DOE expects that the application of the weighted selection criteria will result in the following distribution during the first cycle of this program—

• 50% active solar hot water and space heating applications;
• 30% passive solar hot water and space heating applications;
• 10% active solar space heating and cooling applications; and
• 10% active process heat applications.

Agencies should bear these figures in mind in selecting projects to propose, but should not regard them as inflexible.

Several comments were received which were critical of the provisions for considering estimated simple payback time in evaluating proposed projects. One comment suggested that reliance solely on life cycle costing procedures would avoid unnecessary inconsistency with other building programs. Other comments claimed that estimated simple payback time does not allow for recognition and evaluation of other potential tangible benefits which accrue subsequent to payback. Simple payback is a rough measure of cost effectiveness which the NECPA requires. DOE intends to take the calculation into account in assessing the proposals, but expects to give determinative weight to life cycle costing calculations in making selections of projects for funding.

In the NOPR, DOE discussed the possibility of adding provisions to the final rules regarding cost-sharing with Federal agencies and for attaching additional points in the evaluation criteria as a means of extending program impact. One comment supported cost-sharing, while another comment noted that cost-sharing would only create complications. It was added that cost-sharing with other Federal agencies—unlike cost-sharing with private parties—would not have the advantage of extending Federal funds. Another comment considered cost sharing of questionable merit because it could discriminate against agencies with low budgets or budget problems. Despite these comments, DOE still believes that agency cost-sharing offers tremendous potential for broadening the program impact and has modified § 436.78(c) to include cost-sharing as one of the selection criteria.

One commentor urged that the program be structured to encourage participation by small business, and specifically suggested, without clearly explaining the connection, that the rule be modified to extend the 180-day period for agency submission of proposals to DOE. DOE is sympathetic to the need for special action to ensure participation of small business, but the real opportunities for encouraging that participation belong to the proposing agencies who have the procurement function under this program. A modification of the 180-day period for submitting proposals would probably not significantly advance the interests of small businesses, and in any event is not permissible because Congress established that period by law. However, DOE will advise small businesses who inquire of the names of contact persons in each agency and of developments in the program which may be of interest to them. Furthermore, DOE urges participating agencies to publicize their competitive procurements and take whatever other steps they can to reach solar small businesses and involve them in the program.

DOE requested and received comments on the advisability of rejecting project with costs exceeding the following ceilings: $500,000 for an active solar space heating, cooling, and hot water project; $300,000 for an active solar space heating and hot water project; $200,000 for an active solar hot water project; $100,000 for any passive solar space heating, cooling, or hot water project; and $500,000 for any active or passive solar energy system generating energy for consumption in an industrial-type process. DOE rationalized these proposed ceilings by pointing out that agencies could fund the balance from their own appropriations, and by saying that it was more desirable to maximize the number and diversity of projects without inhibiting proposal of reasonably sized solar energy systems. Although some commentors suggested adjustments to favor one type of system over others, none advanced documented and persuasive arguments for different numbers. Accordingly, with some adjustments based upon historic facility construction cost data, DOE is promulgating the funding ceilings suggested in the preamble to the NOPR.

8. *Section 436.79—Transfer of Funds.* A few comments were received regarding the desirability of provisions dealing with the availability of supplemental funding. One commentor argued that all feasible and/or cost-effective projects experiencing cost overruns should be funded. The criticized provisions were designed to preclude cost overruns and excessive expenditures on any one project. DOE believes that cost overruns must be discouraged, and that relaxation of the rules to provide for such overruns would have the opposite effect.

Several comments criticized proposed § 436.79 for providing for an initial transfer of funding for design costs in the amount of 6–10 percent of construction costs. One commentor argued that tying design costs to percentages of construction costs would result in biased design decisions in favor of expensive equipment, high technology, and high maintenance active solar systems. This commentor also argued that smaller projects costing below $200,000 would be discouraged because they may involve design costs far in excess of the proposed 6–10 percent range. Another commentor expressed the view that the fixing of design fees as a percentage of total system costs might result in escalation of total system costs and suggested soliciting proposals with design fees based on complexity and size of buildings and on simplicity of the solar system.

DOE proposed the 6–10 percent range because it represented an approximation of design costs based upon historic facility construction cost data, and would establish reasonable limits. DOE still believes in the concept of limits, but in order to eliminate possible bias against small projects, the range has been widened to 6–20 percent. To prevent inflated costs, DOE will review each estimate and reduce it if unjustified.

9. *Section 436.80—Reporting Requirements.* Several comments were received regarding the operation and maintenance reporting requirements. One comment argued that recurring reports should be on an annual basis only and should pertain to reliability, availability, maintainability, maintenance requirements, and cost for operating the system. Two comments opposed the reporting requirements and suggested that the requirements should be simplified with the number of reports from each agency held to a minimum. Another comment suggested the inclusion of continuous data on the microclimate surrounding each building as a partial factor governing the heating or cooling data, and the total sun and sky radiation available to the solar collectors at each building. DOE decided not to make any of the suggested changes. In most cases the general operation and maintenance information data required to be collected by the proposed rules is considered to be the minimum information that DOE considers the agencies would generate or collect for their own needs. To require collection of more data not directly related to the maintenance and operation requirements of the solar energy system would lead to excessive and expensive instrumentation which would divert funds better spent on implementing more projects.

III. Forms

In light of revisions of the rules to make technical changes and to respond to comments, DOE has also revised the forms for submitting proposals. Federal agencies may obtain these forms by calling Mr. A. Krupnick at FTS 872-1870.

IV. Effective Date and Initial Application Period

In the NOPR, DOE indicated that the final rules might be made effective immediately rather than 30 days from publication. DOE has decided not to follow through on this indication because the final life cycle costing rules, which are essential for Solar in Federal Building Demonstration Program, can not be issued simultaneously with today's notice and are scheduled to be published later this summer. The period for submitting applications will begin upon issuance of the final life cycle costing rules. DOE expects to commence evaluation and selection of projects 30 days from the date that the period for submitting applications begins.

(Energy Policy and Conservation Act, (42 U.S.C. 6361 *et seq.* (1970)); E.O. 11912, as amended by E.O. 12003, 42 FR 37523 (July 20, 1977); Title V of the National Energy Conservation Policy Act, (42 U.S.C. 8241 *et seq.*); Department of Energy Organization Act, (42 U.S.C. 7101, *et seq.*))

In consideration of the foregoing Chapter II, Title 10 of the Code of Federal Regulations is hereby amended by establishing Part 436, and Subpart D thereof, as set forth below.

Issued in Washington, D.C., on October 12, 1979.

Omi G. Walden,

Assistant Secretary, Conservation and Solar Energy.

PART 436—FEDERAL ENERGY MANAGEMENT AND PLANNING PROGRAMS

Authority: Energy Policy and Conservation Act, 42 U.S.C. 636.1; Executive Order 11912, as amended, 42 FR 37523 (July 20, 1977); National Energy Conservation Policy Act, Title V, Part 2, 42 U.S.C. 8241.

§ 436.1 Scope.

This part sets forth the rules for Federal energy management and planning programs to reduce Federal energy consumption and to promote cost-effective investments in energy-saving alternative building systems, energy-saving new building designs, and use of solar and other renewable energy sources. These rules are required or authorized under section 381(a)(2) of the Energy Policy and Conservation Act, 42 U.S.C. 6361(a)(2), section 10 of Executive Order 11912 as amended, 42 FR 37523 (July 20, 1977), or Title V of the National Energy Conservation Policy Act, 42 U.S.C. 8241.

§ 436.2 General objectives.

The objectives of Federal energy management and planning programs are—

(a) To promote the design, construction, and operation of buildings to conserve and make more efficient use of fuels and energy;

(b) To shift from use of nonrenewable to renewable energy sources;

(c) To stimulate industries and create new job opportunities for supply and servicing new or improved energy-conserving and energy-supplying systems and equipment;

(d) To promote consideration of the cost of energy consumed over the useful life of a building in addition to initial costs of construction or renovation; and

(e) To place the Federal Government, the largest energy consumer in the United States, in the forefront in implementing energy conservation measures and in promoting use of solar and other renewable energy resources.

§§ 436.3-436.69 Subparts A-C [Reserved]

Subpart D—Solar in Federal Buildings Demonstration Program

§ 436.70 Purpose and scope.

This subpart contains the rules required or authorized to be promulgated under section 523 of Title V, Part 2, of the National Energy Conservation Policy Act, 42 U.S.C. 8241, which provides for a program for Federal agencies to demonstrate the application to Federal buildings of solar heating and solar heating and cooling systems. The rules set forth procedures and requirements for the content and submission of proposals by Federal agencies, for the criteria for evaluation and selection of projects to be funded, and for the periodic reporting of data regarding maintenance and operation of solar energy systems funded under this subpart.

§ 436.71 Definitions.

"Acceptance testing plan" means a test procedure to measure the performance of solar energy system to determine if the system is operating as designed.

"Active solar energy system" means a solar heating or a solar heating and cooling system in which thermal energy from the sun is collected and transferred by pumps or fans that move heat transfer fluids or air throughout the system. (See also "passive solar energy system" in this section)

"Acquisition costs" means project acquisition costs which are fundable by DOE under this subpart, including but not limited to full purchase costs of solar energy equipment to be used exclusively for the solar energy system, and that portion, attributable to the solar energy system, of costs of equipment used as part of that system as well as for other non-solar purposes.

"Building" means any structure with a roof and walls designed for storage or human occupancy which uses energy for hot water, heating, or heating and cooling.

"Building System" means any part of the structure of a building or any energy using system contributing to energy use in a Federal building.

"Btu" means British thermal unit.

"Category" means the characterization of a Federal building in terms of the primary function performed in or by the building, including but not limited to retail, office, health, education, public service, storage, and residential functions.

"Construction costs" means project construction costs which are fundable by DOE under this subpart, including but not limited to that increment of the costs of constructing or modifying a building or site attributable to the installation of the solar energy system.

"Design costs" means project design costs which are fundable by DOE under this subpart, including but not limited to preliminary feasibility design, detailed design, analysis of a solar energy system, and preparation of drawings and specifications.

"Design review" means a meeting or series of meetings held by a Federal agency with the designer of a solar energy system to assess and document the adequacy and accuracy of the mechanical, electrical, and control portions of the solar energy system and to ensure that estimates of acquisition, construction, and installation costs are correct.

"DOE" means the Office of Conservation and Solar Energy of the Department of Energy.

"Energy conservation measure" means energy conservation measure as defined by Subpart C of this part.

"Existing Federal building" means a Federal building for which construction was completed by November 9, 1978, or for which the design cannot be feasibly modified after the effective date of this subpart.

"Federal agency" means an Executive agency as defined in section 105 of Title 5, United States Code; and each entity enumerated in paragraphs (B) through (H) of Subsection (1) of section 5721 of Title 5, United States Code.

"Federal building" means any building or other structure owned by the United States or any Federal agency, including any such structure occupied by a Federal agency under a lease-acquisition agreement under which the United States or a Federal agency will receive fee simple title under the terms of such agreement without further negotiation.

"Innovative and diverse application" means the application to a Federal building of an active or passive solar energy system in combination with a feasible, new or under-utilized energy conservation technology or renewable energy system as defined by Subpart C of this part to reduce consumption of non-renewable energy resources in that building.

"Insolation" means a rate of solar energy received per unit area.

"Installation costs" means project installation costs which are fundable by DOE under this subpart, including but not limited to the emplacement of the solar energy system and conduct of the acceptance testing plan.

"Investment costs" means the initial costs of design, acquisition, construction, and installation.

"Jurisdiction or control" means power or authority to direct, administer, or control the use or operation of a Federal building.

"Memorandum of agreement" means the internal DOE document by which funds are transferred within DOE to install solar heating and solar heating and cooling equipment in a DOE-controlled Federal building.

"New Federal building" means a Federal building for which construction was not completed prior to November 9, 1978, and the design of which can be feasibly modified after the effective date of the rule.

"Non-fundable costs" means project costs which are not fundable by DOE under this subpart, including but not limited to costs of energy conservation investments, cost of a backup system, operation and maintenance costs, administrative and managerial costs, sunk design costs, and proposal costs.

"Optimized collector area" means the collector area for a solar energy system that gives the greatest total (or annualized) net savings where net savings are determined by a life cycle cost comparison of the solar system and an alternative solar energy system.

"Passive solar energy system" means a solar energy system characterized by reliance on natural convection, conduction and radiation, and by heat collection and storage devices that are structurally integrated with the occupied space, such as storage walls, storage roof, greenhouse, atrium or sunspace, thermosyphon hot water system, reflector assemblies, shading devices or reflective surfaces or glazings.

"Process heat application" means the application of solar heating technology in the production of goods, services, or commodities in a Federal building.

"Project" means specific actions to accomplish the design, acquisition, construction and installation of a solar energy system in a Federal building.

"Proposal" means an application by a Federal agency under this subpart requesting funding for one or more projects.

"Replication" means the extent to which a Federal building is representative of a significant number of existing or new buildings in the public or private sector, by category or design.

"Retrofit" means the installation of an alternative building system as defined by Subpart A of this part in an existing Federal building.

"Solar collector" means a device or structure specifically designed for receipt of solar radiation, conversion of the solar radiation to useful heat;

"Solar energy equipment" means building components, materials, or other items of equipment which are the means for active or passive solar hot water heating, heating, or heating and cooling including but not limited to collectors, storage devices, heat exchangers, south-facing glazing, mountings, piping, instrumentation, pumps, valves, gauges and controls.

"Solar energy system" means the assembly or structual integration of solar energy equipment, according to a design, for the purpose of supplying all or part of the hot water, heating, or heating and cooling requirements of a Federal building by the use of solar collectors.

"Solar heating" means, with respect to any Federal building, the use of solar energy to meet all or part of the heating needs of such building (including hot water) or all or part of the needs of such building for hot water.

"Solar heating and cooling" means, with respect to any Federal building, the use of solar energy to provide all or part of the heating needs of such building (including hot water) and all or part of the cooling needs of such building, or all or part of the needs of such building for hot water.

"State" means a State, the District of Columbia, Puerto Rico or any territory or possession of the United States.

§ 436.72 Procedures for submitting a proposal.

(a) Any Federal agency that has or will have jurisdiction or control over a Federal building in a State may submit a proposal under this subpart with respect to such a building. Initial proposals are due on or before 180 days from the date of issuance of subpart A of this part. Subsequent proposals may be submitted only upon notice of invitation by DOE in the **Federal Register.**

(b) An original of each proposal, signed by the head of the submitting Federal agency, or a designated Assistant Secretary or Assistant Administrator, and four copies shall be submitted to the Department of Energy, Office of Conservation and Solar Energy, Attn: Solar in Federal Buildings Program, Washington, D.C. 20585.

§ 436.73 Summary of content of a proposal.

A proposal, with a table of contents and pages numbered consecutively, shall contain the program information required under § 436.74, and for each project—(a) The general project information required under § 436.75;

(b) The technical project information required under § 436.76; and

(c) The project cost information required under § 436.77.

§ 436.74 Required program information.

A proposal shall contain—(a) The address and telephone number of the Assistant Secretary or Assistant Administrator responsible for implementation of a proposal approved under this subpart;

(b) The responsibilities with respect to projects of headquarters, regional, and field offices;

(c) Procedures for monitoring project expenditures;

(d) A plan for quarterly status reports beginning 45 days after transfer of design funds under § 436.79 which—

(1) Identifies individual milestone schedules for each project, including—

(i) Completion of the design, acquisition, construction and installation of each project;

(ii) Design reviews;
(iii) Award of major solar energy system subcontracts;
(iv) Acceptance testing plan; and
(v) Planned publicity, if any;
(2) Describes progress toward completion of each project;
(3) Identifies on a form provided by DOE all costs incurred during the reporting period for each project and any current or projected revisions to estimated investment costs for each project; and
(4) Describes any significant problems or delays in meeting the milestone schedule of any project during the reporting period and actions proposed or implemented to solve the problems, including any necessary revision of the schedule;
(e) An assurance that a final construction status report will be submitted forty-five days after the completion of an acceptance testing plan, which contains the following—
(1) A table of contents;
(2) A description of the completed solar energy system;
(3) Total costs on a DOE form, of the solar energy system, as constructed;
(4) A summary of any significant problems encountered in project completion;
(5) A summary of the acceptance testing plan;
(6) A summary of the results of the acceptance testing plan;
(7) Photographs of the solar energy system;
(8) A set of reproducible design and installation drawings of the solar energy system, as constructed; and
(9) A statement setting forth the extent to which the Federal agency has complied with the criteria and standards set forth in § 436.76(b) (2) and (3);
(f) A statement showing the extent, if any, to which the project represents an innovative and diverse application and identifying its geographic location;
(g) A statement setting forth the location of project records; and
(h) An assurance that complete records maintained for review of project expenditures shall be available for inspection by the DOE at reasonable times.

§ 436.75 Required general project information.

(a) Each proposal submitted under this subpart shall list the Federal buildings in which projects are proposed to be implemented, distinguishing between existing Federal buildings and new Federal buildings;
(b) For each Federal building listed under paragraph (a) of this section, the agency shall provide the following general information—(1) The street address, if known;
(2) The city, county and state;
(3) The name, address and telephone number of the project contact person, located at or adjacent to the building site, who is responsible for a solar energy system proposed for installation under this subpart;
(4) A description of the Federal building in terms of its category;
(5) Photographs taken from the Federal building, or site, looking east, south and west;
(6) Estimated or actual, if available, number of building occupants;
(7) Number of visitors annually, if known;
(8) Type of transportation route from which the Federal building is clearly visible;
(9) Types of planned project publicity;
(10) Size and location of closest city or town;
(11) Planned or implemented energy-saving changes in operation and maintenance procedures and cost effective non-solar energy conservation measures; and
(12) Other relevant location or design factors.

§ 436.76 Required technical project information.

(a) With respect to each active and passive solar energy system proposed for a Federal building listed under § 436.75 and assuming, in the case of an existing Federal building, that energy-saving changes in operation and maintenance procedures and cost effective non-solar energy conservation measures are complete, the following technical information shall be provided—
(1) Either a completed design, ready for construction in an architectural and engineering report or basic building and solar energy system design information on forms provided by DOE, with an attached schematic rendering of the design;
(2) The method of calculation used or to be used in calculating the optimized solar collector area; and
(3) An assurance that the Federal agency will—(i) Perform and record the results of all design reviews prior to construction;
(ii) Maintain a current set of solar energy system design and installation drawings;
(iii) Obtain and implement an operation and maintenance manual suitable for use by maintenance personnel;
(iv) Obtain and implement an acceptance testing plan including data collection requirements to determine that—
(A) Each major component of the solar energy system is installed and operating as designed;
(B) The solar energy system is balanced to conform as closely as practicable to the design performance specifications; and
(C) Solar energy system data is recorded during acceptance testing, along with the date, time and individual(s) performing the test; and
(v) Provide three copies of the information referred to in § 436.76(a)(3) as soon as reasonably possible after it is obtained.
(b) With respect to each active solar energy system proposed for a Federal building, and assuming in the case of an existing Federal building, that energy-saving changes in operation and maintenance procedures and cost effective non-solar energy conservation measures are complete, the following technical information shall be provided—
(1) A statement setting forth whether the proposed solar collector type is flat plate, evacuated tube, concentrator, or other type, as well as any limiting design characteristics;
(2) An assurance that the system will be designed and constructed to comply with the *Interim Performance Criteria for Solar Heating and Cooling Systems in Commercial Buildings* (1187 NBS INT. REP (1976)), or, with the HUD *Intermediate Minimum Property Standards for Solar Heating and Domestic Hot Water Systems*, (in residential buildings) (4930.2, HUD INT. MPS SUPP. (1977)), or an explanation of any reasons for exception from any part of these criteria or standards;
(3) An assurance that solar collectors will be selected taking into account—
(i) Solar collector thermal performance data collected under ASHRAE 93–77; and
(ii) Thirty-day no-flow solar collector degradation test data recorded in accordance with the procedures identified in 1305A (7.2) NBS INT. REP. (1978), or an explanation of any reasons for exception from these procedures; and
(4) An assurance that each proposed project will have—
(i) A one-year warranty from the installer, commencing with the date upon which installation is completed—
(A) Against failure of the solar energy system by a defect in materials, manufacture, or installation;
(B) Covering full costs of parts, labor, and replacement and installation at the site; and

(C) Providing for reasonable inspections on request, at no cost to the Federal agency, to investigation complaints, and take expeditious corrective action; and

(ii) A three-year warranty from the manufacturer, with respect to solar collectors, commencing with the date upon which installation is completed—

(A) Against defects in materials or manufacture and covering at least the costs of all parts delivered to the site; and

(B) Providing for reasonable inspections on request, at no cost to the Federal agency, to investigate complaints, and take expeditious corrective action.

§ 436.77 Required project cost information.

For each Federal building listed under § 436.75, and assuming, in the case of an existing Federal building, that energy-saving changes in operation and maintenance procedures and cost effective non-solar energy conservation measures are complete, the following cost information shall be provided on DOE forms or in architectural and engineering report.

(a) Estimated simple payback time, based on a comparison of the estimated costs of a proposed solar energy system with the estimated costs of a conventional non-solar energy system to determine the number of years required for the cumulative value of net differences in future energy cost savings to equal investment costs without regard to discount rates or future fuel price increases;

(b) Net savings, calculated in accordance with Subpart A of this part, based on a comparison of the estimated costs of a proposed solar energy system with the estimated costs of a conventional non-solar energy system;

(c) Total estimated costs to DOE, as designed; and

(d) Total costs of the solar energy system.

§ 436.78 Evaluation procedures and criteria.

(a) Each project proposal shall be reviewed preliminarily to determine whether it meets the requirements of § 436.72 and §§ 436.74 through 436.77, inclusive. If a proposal does not meet these requirements, the proposal may be returned with a written statement of deficiencies. If deemed appropriate, additional time to cure deficiencies may be allowed.

(b) Any project for which there is complete information under §§ 436.75–436.77 shall be rejected with a written statement of deficiencies if—(1) Adequate energy-saving changes in operation and maintenance procedures and cost effective non-solar energy conservation measures are neither implemented nor scheduled and budgeted;

(2) The design is infeasible;

(3) The cost estimates are unrealistic; or

(4) The project costs to be funded under this subpart exceed the following funding ceilings—

(i) $550,000 for an active solar space heating, cooling and hot water application;

(ii) $350,000 for an active solar space heating and hot water application;

(iii) $240,000 for an active solar hot water application;

(iv) $120,000 for any passive solar space heating, cooling, or hot water application and

(v) $1,000,000 for any solar process heat application; or

(5) The explanations of exceptions proposed under § 436.76(b)(2) and (b)(3) are deemed by DOE to be unreasonable.

(c) Selection among projects, which are not rejected under paragraphs (a) and (b) of this section, shall be based on the following criteria in accordance with the weight assigned to each—

(1) 20 points for cost effectiveness in comparison to other proposed similar projects and excess cost, if any, in comparison to the conventional non-solar energy system which minimizes the estimated life cycle cost of the Federal building;

(2) 20 points for the extent of cost sharing offered by the Federal agency;

(3) 15 points for the extent of replication;

(4) 15 points for the proximity to areas which have potential for development as a private sector market for solar energy equipment;

(5) 15 points for the extent to which the proposed project takes account of feasible opportunities to include passive solar applications;

(6) 5 points for the extent of visibility and accessibility to the public;

(7) 5 points for the extent to which the proposed project represents an innovative and diverse application; and

(8) 5 points for the geographical location in regard to other proposed projects.

(d) Each evaluation under paragraphs (b) and (c) of this section shall be in writing and shall be made available to the proposing Federal agency, or the public upon request.

§ 436.79 Transfer of funds.

(a) When a project is selected under § 436.78, the Federal agency shall be notified in writing of such selection, and funds shall be transferred, pursuant to interagency agreement or a memorandum of agreement, solely for design costs in the amount of approximately 6 to 20 percent of the total estimated solar energy system costs as determined by DOE.

(b) Upon substantial completion of a design review acceptable to DOE, total estimated costs for acquisition, construction, and installation shall be transferred pursuant to interagency agreement or memorandum of agreement.

(c) Prior to transfer of funds under paragraph (b) of this section, projects which are determined to be substantially inconsistent with the data contained in the initial proposal or are determined to be otherwise infeasible are subject ot cancellation by DOE.

(d) Except as provided in paragraphs (e) and (f) of this section, DOE shall not provide any funds for a project in excess of the funds transferred under paragraphs (a) and (b) of this section.

(e) Subsequent to bid opening by a Federal agency, and prior to contract award, DOE may in its discretion commit to transfer or transfer supplemental funds upon notification by the Federal agency that the lowest acceptable bid received by the time of bid opening exceeds the amount of funds transferred under paragraph (b) of this section. In no event shall DOE transfer supplemental funds under this subsection in excess of 25% of the funds transferred under paragraph (b). A complete record of the bid opening shall be maintained by the Federal agency, and made available for review by DOE upon request, prior to the transfer of supplemental funds under this paragraph. If the supplemental funds necessary to award a contract are not provided by the DOE, the Federal agency shall either fund the excess from its budget, or reformulate the design of the project in a manner acceptable to DOE, or cancel the project and transfer back to DOE the funds transferred under paragraph (b) of this section, as well as any unexpended funds transferred under paragraph (a) of this section. Any interagency agreement or memorandum of agreement transferring funds under these rules shall specifically provide for compliance with this subsection.

(f) Subsequent to the award of a construction contract, DOE may in its discretion transfer additional supplemental funds if it has received a timely written application for such funds signed by an assistant secretary, assistant administrator, or other senior policymaking official of the Federal agency and a written report of an audit acceptable to DOE showing that there is a need for additional funding which was caused by extraordinary circumstances beyond the control of the Federal agency and which could not reasonably have been foreseen.

§ 436.80 Operation and maintenance reports.

Commencing within 60 days of completion of the acceptance testing plan, and continuing on a quarterly basis for the first year of operation and on an annual basis thereafter for a total of three operating years, the Federal agency shall submit on a project by project basis, the following information—

(a) Data recorded on a monthly basis from installed instrumentation for—

(1) The total amount of solar generated Btu's transferred into storage, where applicable;

(2) The total amounts of solar generated Btu's consumed in each building for hot water, heating, or cooling, respectively; and

(3) The estimated, or actual, if available, energy savings by fuel type and costs savings for hot water, heating, or heating and cooling; and

(b) Solar energy system data and information for—

(1) All operating and maintenance actions performed which have a potential significant impact on the cost, performance, or safety of the solar energy system or components, or are indicative of operating or maintenance problems which might affect the performance and operation of other solar energy systems. Information submitted must include—

(i) A complete description of the action performed;

(ii) The solar energy equipment and component involved;

(iii) The resulting cost; and

(iv) The corrective action taken; and

(2) Monthly cost estimates of all normal and significant operating and maintenance actions required to keep the solar energy system in operating condition. Specific routine actions need only be reported based on a monthly accumulation of their actual or estimated costs.

[FR Doc. 79-32235 Filed 10-18-79; 8:45 am]

BILLING CODE 6450-01-M

federal register

Friday
October 19, 1979

Part VIII

Council on Wage and Price Stability

Data Requests

COUNCIL ON WAGE AND PRICE STABILITY

6 CFR Part 707

Data Requests

AGENCY: Council on Wage and Price Stability.

ACTION: Interim Final Rule on Data Requests, with comments requested.

SUMMARY: The Council is combining all present data requests and specifications, previously included in other parts of this Chapter, into a new Part 707, titled Data Requests. Part 707 relates and refers to Part 705, "Anti-Inflationary Pay and Price Standards," and Part 706, "Procedural Rules," which have recently been published in the **Federal Register** as interim final standards and rules, with comments requested (44 FR 56900–16). The period for public comment on Parts 705 and 706 does not close until October 17, 1979. Any changes in Parts 705 and 706 as a result of the public comments will result in corresponding changes in this Part.

DATES: The effective date of the Part 707 is October 19, 1979. Comments on this interim final rule on data requests must be received on or before November 12, 1979.

ADDRESS: Written comments should be addressed to the Office of General Counsel, Council on Wage and Price Stability, 600 17th Street NW., Washington, D.C. 20506.

FOR FURTHER INFORMATION CONTACT: For further information on—Pay, contact: Diane J. Mazur, 456–7100, Price (Subparts A, B, and C), contact:

Industries, Contact Person, and Telephone Number

Metals, Machinery & Equipment, Eugene Roberts, 456–7784.
Food, Agriculture & Trade, Steve Hiemstra, 456–7740.
Energy, Chemicals, Utilities, & Transportation, John Keith, 456–7747.
Construction & Building Materials, Joseph Lackey, 456–7156.
Health Insurance & Other Services, Arthur Corazzini, 456–7730.
Price (Subpart D), contact: Walter Leibowitz or David Wagner, 456–7733.

SUPPLEMENTARY INFORMATION: During the first year of the antiinflation program, data specifications and requests appeared throughout Parts 705 and 706, as well as in published Questions and Answers, and in the Council's Implementation Guide (44 FR 5339 (January 25, 1979)). When the Council published interim final standards and rules for the second program year, the descriptions of data requests were removed. The Council concluded that collecting all such materials in one part would assist the public by clarifying the types of data needed by the Council for its monitoring efforts. Part 707, then, supersedes the data requests and data specifications previously found in Parts 705 and 706 (as well as the Council's practices during the first year) and fills the potential void created by promulgating Parts 705 and 706 as interim final standards and rules.

Subpart A of Part 707, titled "Report of Company Organization and Statement of Assurance," relates to the reports by entities in the private and public sectors of company organization for purposes of compliance with the pay and price standards. Subpart B, titled "Periodic Data Reports," concerns data requested from compliance units, including government entities, for evaluating their compliance with the standards. Subpart C, titled "Data Submissions Supporting Variances from Intermediate and Margin Limitations," specifies the data necessary to justify excesses above the intermediate limits for increases in prices, profit margins, percentage gross margins, and gross margins. Subpart D, titled "Data Submissions Supporting Exception Requests," concerns the submission of data to support specific exception requests.

There are references in Part 707 to various data-collections forms. These forms have been developed by the Council in response to public requests and Council needs for simplicity and conformity of data submissions. Forms PM–1 and PAY–1 have previously been approved by the Office of Management and Budget and are therefore not included in this document, even though the Council has or shortly will request approval for minor revisions of these forms. Two forms not previously approved—Form CO–1 (PAY) and Form CO–1 (Price) for reporting company reorganization—essentially reflect the data requests contained last year in Part 706. Another new form—PAY–2 for compliance reports by State and local governments—is a scaled-down version of Form PAY–1 that is designed for the public sector. All of these forms are attached to this document and included within the Council's request for public comments. These forms will be submitted shortly to the Office of Management and Budget for approval.

The Council is soliciting public comments not only on the language of proposed Part 707 and the attached forms, but also on the general subject of data requests by the Council.

Issued in Washington, D.C., October 15, 1979.

R. Robert Russell,

Director, Council on Wage and Price Stability.

Accordingly, Part 707, Title 6 CFR, is adopted on an interim basis to read as follows:

PART 707—DATA REQUESTS

Authority: Council on Wage and Price Stability Act, P.L. 93–387 (August 14, 1974), as amended by P.L. 9478 (August 9, 1975), P.L. 95–121 (October 5, 1977), and P.L. 96–10 (May 10, 1979), 12 U.S.C. 1904 note; E.O. 12092 (November 3, 1978), E.O. 12161 (September 28, 1979).

Subpart A—Report of Company Organization and Statement of Assurance

§ 707.1 Company organization.

Companies specified in § 706.21 should furnish to the Council:

(a) A completed Form CO–1 (Price); and/or

(b) A completed Form CO–1 (Pay) for each pay compliance unit, unless the compliance unit is part of a State or local government and elects to file under § 707.02.

§ 707.2 Statement of assurance of compliance by State and local governments.

A State or local government as specified in § 706.23 that does not file under § 707.01(b) should furnish to the Council a statement of assurance from the head of the government entity that the entity intends to comply with the pay standard.

Subpart B—Periodic Data Reports

§ 707.10 Pay and price data reports.

Compliance units specified in § 706.22 should furnish to the Council:

(a) A completed Form PM–1, unless the compliance unit is a provider of medical or dental insurance subject to § 705.48 or a utility subject to § 705.45; and/or

(b) A completed Form PAY–1, unless the compliance unit is part of a State or local government, or

(c) A completed Form PAY–2 if the compliance unit is a State or local government as specified in § 706.23.

Subpart C—Data Submissions Supporting Variances From Intermediate Price and Margin Limitations

§ 707.20 Intermediate price limitations.

A compliance unit that exceeds any of the intermediate price limitations in § 705.3(a) through (c) should prepare and/or furnish to the Council with its Form PM–1 (a) A demonstration that the increase in prices exceeding the intermediate limit(s) is justified because of:

(1) Seasonal variations in economic activity (including an empirical demonstration of the quarterly pattern of price changes over the five years before the first program year),

(2) Historical business practice, or

(3) Unusual business conditions; and

(b) Projected price changes for the second program year, demonstrating that increases in prices exceeding the intermediate limit(s) are consistent with adherence to the two-year price limitation by the end of the program year.

§ 707.21 Intermediate profit limitations.

A compliance unit that exceeds any of the intermediate limits for the profit limitation in § 705.6(a)(1) should prepare and/or furnish to the Council with its Form PM–1 a demonstration that a profit margin in excess of the profit limitation is consistent with an explicit plan, based on reasonable projections of economic conditions, to achieve compliance with the profit limitation by the end of the second program year.

§ 707.22 Intermediate percentage-gross-margin limitations

A compliance unit in the wholesale/retail trade industries that exceeds any of the intermediate percentage-gross-margin limitations in § 705.42(d) should prepare and/or furnish to the Council with its Form PM–1:

(a) A demonstration that any increase in percentage gross margins in excess of the intermediate limit(s) is justified because of:

(1) Seasonal variations in economic activity (including an empirical demonstration of the quarterly pattern of change in gross margins over the five years before the first program year),

(2) Historical business practices, or

(3) Unusual business conditions; and

(b) Projected percentage-gross margins demonstrating that pricing actions are consistent with adherence to the percentage gross-margin standard by the end of the second program year.

§ 707.23 Intermediate gross-margin limitations.

A compliance unit subject to the gross-margin standard that exceeds any of the intermediate gross-margin limitations in § 705.43(d) or § 705.44(d) should prepare and/or furnish to the Council with its Form PM–1.

(a) A demonstration that any increase in gross margins in excess of the intermediate limit(s) is justified because of:

(1) Seasonal variations in economic activity (including an empirical demonstration of the quarterly pattern of change in gross margins over the five years before the first program year),

(2) Historical business practices, or

(3) Unusual business conditions; and

(b) Projected gross margins demonstrating that pricing actions are consistent with adherence to the gross-margin standard by the end of the second program year.

Subpart D—Data Submissions Supporting Exception Requests

§ 707.30 General.

Each request for approval of exception should include: (a) The name and address of the compliance unit making the request, including the name(s), title(s), and phone number(s) of person(s) whom the Council may contact concerning the request, and the name and address of the company of which the unit is a part, if different from that of the compliance unit;

(b) The name(s), address(es), and phone number(s) of union representatives, if the request involves a collective-bargaining situation, or the name(s), address(es), and phone number(s) of relevant company officials if the request is made by an employee unit;

(c) A demonstration that the compliance unit or employee unit requesting the exception satisfies the criteria of § 706.31(a) or, if the request is submitted under § 706.31(b), a demonstration that there is good cause for the Council to entertain the request; and

(d) The particular provisions of the standards that are the subject of the request, a precise description of the exception request, and the pay and/or price action that the entity making the request proposes to take if the exception is granted.

§ 707.31 Tandem pay-rate exceptions.

For an exception to the pay standard based on tandem pay-rate changes (705B–9), a compliance unit should submit:

(a) Documentation of a clear leader/follower relationship between the two employee units;

(b) Documentation of the value and timing of past pay-rate increases of the two employee units over the prior six years; and

(c) An estimate of the effect that the exception would have on the compliance unit's pay rates.

§ 707.32 Productivity-improving work-rule-change exceptions.

For an exception to the pay standard based on pay-rate increases traded for productivity-improving work-rule changes (705B–10), a compliance unit should submit:

(a) An explanation of the work-rule change(s);

(b) An analysis of how the cost reduction will be generated by the work-rule change(s);

(c) An estimate of the effect that the exception would have on the compliance unit's pay rates; and

(d) Documentation that the cost reduction generated by the work-rule change(s) will be equal to or greater than the excess of the pay increase over the pay standard.

§ 707.33 Acute-labor-shortage exceptions.

For an exception to the pay standard based on pay-rate changes needed because of acute labor shortages (705B–11), a compliance unit should submit:

(a) Documentation that, for the particular job categories, the proportion of vacancies relative to the work force and the time or effort required to fill them have increased abnormally during the preceding quarter relative to the two prior years;

(b) Documentation that pay rates for employees in those job categories have increased abnormally over the two prior years and that the requested pay rates for the shortage categories are comparable to pay rates in the relevant labor market;

(c) A statement that the applicant has sought the assistance of the local Employment Service Agency to obtain employees;

(d) Documentation of the proportion of the compliance unit's work force that would be affected; and

(e) An estimate of the effect that the exception would have on the compliance unit's pay rates.

§ 707.34 Undue-hardship and gross-inequity exceptions.

For an exception to the pay or price standard based on undue hardship or gross inequity (§ 705.6(b) or § 705B–12), a compliance unit should submit:

(a) A precise description of the hardship or inequity that would be created by application of the standard (including, with respect to hardship, a demonstration of the effect on the *company's*—as distinguished from the compliance unit's—financial viability);

(b) An explanation of how the requested exception would mitigate the hardship or inequity resulting from application of the standard; and

(c) If the request is for an exception to the pay standard, an estimate of the effect that the exception would have on the compliance unit's pay rates.

§ 707.35 Inability-to-compute exceptions.

For an exception to the price standard based on inability to compute a two-year change (§ 705.6(a)), a compliance unit should demonstrate that sampling is infeasible due to inadequate data or that sampling is unduly onerous or costly.

§ 707.36 Uncontrollable-cost exceptions.

For an exception to the price standard based on uncontrollable cost increases (§ 706.6(a)), a compliance unit should:

(a) Demonstrate that the two-year rate of increase in costs per unit of output since the base quarter exceeded the two-year price limitation and are expected to continue to do so by an amount that would result in a significant erosion of the profit margin of the compliance unit if it were held to the two-year price limitation;

(b) Demonstrate that the cost increases are substantially uncontrollable (this requires, at a minimum, quantification of the shares of total cost increases accounted for by each significant cost increase that is wholly and demonstrably uncontrollable); and

(c) Account for the degree to which such increases are offset by normal gains in the efficiency of using inputs (productivity).

§ 707.37 Uncontrollable-cost exceptions to a percentage-gross-margin standard.

For an exception to the percentage-gross-margin standard (§ 705.42) based on uncontrollable cost increases, a compliance unit should demonstrate that total costs excluding those subtracted from revenues when calculating gross margin, as defined in § 705.42(b)(1), and excluding those items included in the definition of profit, as defined in § 705.77(a), divided by revenues have risen since the base quarter at an annual rate in excess of the percentage-gross-margin trend or zero, whichever is greater, and are expected to continue to do so by an amount that would result in a signficant erosion of the profit margin of the compliance unit if it were held to the gross-margin standard. The compliance unit should also satisfy § 707.36 (b) and (c).

§ 707.38 Uncontrollable-cost exceptions to a gross-margin standard.

For an exception to a gross-margin standard (§ 705.43, § 705.44, or § 705.45) based on uncontrollable cost increases, a compliance unit should demonstrate that total costs excluding those subtracted from revenues when calculating gross margins, as defined in § 705.43(b)(1), §705.44(3), or § 705.45(b), and excluding those items included in the definition of profit, as defined in § 705.77(a), have risen since the base quarter at an annual rate in excess of the sum of 6.5 percent and the annual rate of growth of physical volume and are expected to continue to do so by an amount that would result in a significant erosion of the profit margin of the compliance unit if it were held to the gross-margin standard. The compliance unit should also satisfy § 707.36 (b) and (c).

Form CO–1 (Instructions)
(10–10–79)

PROPOSED

Executive Office of the President, Council on Wage and Price Stability

Instructions for Preparation of Report of Company Organization

Form CO–1 (Price)

A. *Purpose of Form CO–1 (Price).* The Council on Wage and Price Stability has developed a form for reporting on company organization, Form CO–1 (Price), to help the Council monitor compliance with the voluntary price standard. During the first program year, companies were asked to report to the Council on their organization for compliance with the standards, but no form was provided. Most companies submitted lengthy reports. It is expected that Form CO–1 (Price) will greatly reduce the reporting burden on companies. In general, the Council wishes to obtain these data needed to monitor compliance with the voluntary standards while placing a minimum burden on companies.

B. *Authority for Form CO–1 (Price).* The Council on Wage and Price Stability Act, 12 U.S.C., Section 1904, note, authorized the Council to collect data on wages, costs, productivity, prices, sales, profits, imports, and exports by product line or by such other categories as the Council may prescribe.

C. *Publication of the Revised Standards.* The revised price standard was published in the **Federal Register** at 44 FR 56904 to 56910 on October 2, 1979. *Please note:* all of the terms used on Form CO–1 (Price) as well as the referenced Sections are as defined or set forth in the revised standard.

D. *Confidentiality of Information.* All information furnished the council on Form CO–1 (Price) will be treated as confidential in accordance with Section 4(f) of the Council on Wage and Price Stability Act 12 U.S.C. Section 1904, note, and 6 CFR Part 702, 44 FR 59166 (October 2, 1979).

E. *Who Should File*

(1) Any company or compliance unit specifically requested by the Council to do so.

(2) Any other company, as defined in 705.63, with at least $250 million in net sales or revenues (from domestic operations only) in its last complete fiscal year before October 2, 1979, unless the entire company is a financial institution subject to 705.50 or an insurance company subject to 705.48 or 705.49.

F. *Choice of Organization for Compliance.* A company may be divided into two or more compliance units if the conditions in 705.64 are satisfied. Companies need not adopt the same organizational structure as in the first program year. Also, the organizational structure adopted for compliance with the price standard need not be the same structure as that adopted for compliance with the pay standard.

BILLING CODE 3510-22-M

PROPOSED

FORM CO-1
(10-9-79)

NOTICE – All information furnished to the Council on Form CO-I will be treated as confidential in accordance with Section 4(f) of the Council on Wage and Price S' lity Act, 12 U.S.C. 1904, note, and 6 CFR Part 702 FR 59166 (October 12, 1979)

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON WAGE AND PRICE STABILITY

REPORT OF COMPANY ORGANIZATION
FOR THE SECOND PROGRAM YEAR

PARENT COMPANY REPORT

PLEASE READ THE ENCLOSED INSTRUCTIONS BEFORE COMPLETING THIS REPORT

Send this form with relevant attachments to:
Office of Price Monitoring
Council on Wage and Price Stability
Winder Building
600 17th Street, NW.
Washington, D.C. 20506

NOTE: Please indicate "Submission of Form CO-I (Price) in the lower left hand corner of the envelope.

What were the total consolidated net sales or revenues of this company in its last complete fiscal year prior to October 2, 1979?

Bil.	Mil.	Thou.

Certification

a. Name of Chief Executive Officer or authorized designee	Title
b. Name of Company	Telephone *(Area code, No., Ext.)*
c. Name of person to contact regarding this report	Telephone *(Area code, No., Ext.)*
d. Address *(If different from mailing label)*	

To the best of my knowledge and belief, the data submitted herewith are factually correct, complete, and prepared in accordance with instructions. It is requested that the information submitted herewith be considered as confidential within the meaning of Section 4(f) of the Council on Wage and Stability Act, 12 U.S.C. 1904, Note, and 6 CFR Part 702 , 44 FR 59166 (October 12, 1979).

e. Signature	Date

PROPOSED

LIST OF COMPLIANCE UNITS

(a) Name of Compliance Unit	(b) Principal Line of Business	(c) SIC No. 1/	(d) Same Compliance Unit as First Program Year?	(e) Standard Followed (Circle Choices) 2/	(f) CWPS Use Only
1.			Yes No	A B C D F I M P U	
2.			Yes No	A B C D F I M P U	
3.			Yes No	A B C D F I M P U	
4.			Yes No	A B C D F I M P U	
5.			Yes No	A B C D F I M P U	
6.			Yes No	A B C D F I M P U	
7.			Yes No	A B C D F I M P U	
8.			Yes No	A B C D F I M P U	
9.			Yes No	A B C D F I M P U	
10.			Yes No	A B C D F I M P U	
Total Company					

1/ Four-digit 1972 Standard Industrial Classification Code
2/ Code for Standards Followed:

A - Price Limitation
B - Percentage-Gross-Margin Standard for Wholesale and Retail Trade
C - Gross-Margin Standard for Food Manufacturing and Processing
D - Gross-Margin Standard for Petroleum-Refinery Operations
F - Standard for Financial Institutions
I - Price Standard for Insurance Providers
M - Price Standard for Medical and Dental Insurance Providers
P - Profit Limitation
U - Gross-Margin Standard for Electric, Gas and Water Utilities

PROPOSED

Attach continuation sheets if necessary

SALES OR REVENUES FOR THE FIRST PROGRAM YEAR

Compliance Unit No.	(g) Total Sales or Revenues			(h) Non-Arms Length Transactions 705.4 (a) (8)			(i) New or Discontinued Products 705.4 (a) (9)			(j) Custom Products 705.4 (a) (10)			(k) Deliveries at Present Prices 705.4 (b)			(l) Covered Sales or Revenues 3/ (after exclusions)		
	Bil.	Mil.	Thou.	Bil.	Mil.	Thou.	Bil.	Mil.	Thou.	Bil.	Mil.	Thou.	Bil.	Mil.	Thou.	Bil.	Mil.	Thou.
1.																		
2.																		
3.																		
4.																		
5.																		
6.																		
7.																		
8.																		
9.																		
10.																		

3/ Show covered sales after all exclusions under 705.4

BILLING CODE 3510-22-C

Form CO-1 (Instructions)
(10-10-79)
PROPOSED

Executive Office of the President, Council on Wage and Price Stability

Instructions for Preparation of Report of Company Organization

Form CO-1 (Pay)

A. *Purpose of Form CO-1 (Pay).* The Council on Wage and Price Stability has developed a form for reporting on company organization, Form CO-1 (Pay), to help the Council monitor compliance with the voluntary pay standard. Companies with 5,000 or more employees are requested to report their organization for compliance with the pay standard for the second program year. The Council wishes to obtain that information needed to monitor compliance with the voluntary standards while placing a minimum burden on companies. It is expected that Form CO-1 (Pay) will help achieve these objectives.

B. *Authority for Form CO-1 (Pay).* The Council on Wage and Price Stability Act, 12 U.S.C., Section 1904, note, authorized the Council to collect data on wages, costs, productivity, prices, sales, profits, imports, and exports by product line or by such other categories as the Council may prescribe.

C. *Publication of the Pay Standard.* The first-year pay standard, published in the **Federal Register** at 44 FR 60772 (December 28, 1978); 44 FR 9582 (February 13, 1979); and 44 FR 17910 (March 23, 1979) remain in effect during the second program year until the Council acts on the recommendations of the Pay Advisory Committee. All of the terms used on Form CO-1 (Pay) as well as the referenced sections are as defined or set forth in the standard.

D. *Confidentiality of Information.* All information furnished to the Council on Form CO-1 (Pay) will be treated as confidential in accordance with Section 4(f) of the Council on Wage and Price Stability Act 12 U.S.C. Section 1904, note, and 6 CFR Part 702, 44 FR 59166 (October 12, 1979).

E. *Who Should File.*

(1) Any company or compliance unit specifically requested by the Council to do so.

(2) Any other company, as defined in 705.63, with 5,000 or more employees during any calendar quarter of its last complete fiscal year before October 2, 1979.

F. *Choice of Organization for Compliance.* A company may be divided into two or more compliance units if the conditions in 705.64 are satisfied. Companies need not adopt the same organizational structure as in the first program year. Also, the organizational structure adopted for compliance with the pay standard need not be the same as that adopted for compliance with the price standard.

BILLING CODE 3510-22-M

PROPOSED

FORM CO-1
(C-9-79)

NOTICE – All information furnished to the Council on Form CO-I will be treated as confidential in accordance with Section 4(f) of the Council on Wage and Price St lity Act, 12 U.S.C. 1904, note, and 6 CFR Part 702 FR 59166 (October 12, 1979)

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON WAGE AND PRICE STABILITY

REPORT OF COMPANY ORGANIZATION FOR THE SECOND PROGRAM YEAR

PARENT COMPANY REPORT

PLEASE READ THE ENCLOSED INSTRUCTIONS BEFORE COMPLETING THIS REPORT

Send this form with relevant attachments to:

Office of Pay Monitoring
Council on Wage and Price Stability
Winder Building
600 17th Street, NW.
Washington, D.C. 20506 (PAY)

NOTE: Please indicate "Submission of Form CO-I" in the lower left hand corner of the envelope.

Certification

a. Name of Chief Executive Officer or authorized designee	Title
b. Name of Company	Telephone *(Area code, No., Ext.)*
c. Name of person to contact regarding this report	Telephone *(Area code, No., Ext.)*
d. Address *(If different from mailing label)*	

To the best of my knowledge and belief, the data submitted herewith are factually correct, complete, and prepared in accordance with instructions. It is requested that the information submitted herewith be considered as confidential within the meaning of Section 4(f) of the Council on Wage and Stability Act, 12 U.S.C. 1904, Note, and 6 CFR Part 702 , 44 FR 59166 (October 12, 1979).

e. Signature	Date

PROPOSED

LIST OF COMPLIANCE UNITS

(a) Name of Compliance Unit	(b) Principal Line of Business	(c) SIC No. 1/	(d) Beginning Date of Second Program Year	(e) Employees 2/	(f) CWPS Use Only
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

1/ Four-digit 1972 Standard Industrial Classification Code

2/ Show the number of employees at the beginning date of the second program year

BILLING CODE 3510-22-C

Form Pay-2 (Instructions)
(10/15/79)
Proposed

Executive Office of the President, Council on Wage and Price Stability

Instructions for the Preparation of Form Pay-2, Report on Compliance With the Pay Standard for State, County and City Governments

I. *General Instructions*

A. *Purpose of Form Pay-2.* Form Pay-2 is used by the Council on Wage and Price Stability as a means for collecting data from State and local governments. The information requested will allow the Council to meet two objectives. First, the data will be used to determine the extent to which governments have complied with the voluntary standard on pay-rate increases. Second, governments are asked to report actual pay-rate increases, as well as those chargeable under the Pay Standard, to enable the Council to determine the effect of the "exclusions" on total pay rates and measure the inflationary impact of actual labor costs. The submission of data on Form Pay-2 is voluntary. However, the Council views the access to timely, uniformly defined data as essential to the effective monitoring of compliance with the standard.

B. *Authority for Form Pay-2.* The Council on Wage and Price Stability Act, 12 U.S.C., Section 1904, note, authorizes the Council to collect data on wages, costs, productivity, prices, sales, profits, imports, and exports by product line or by such other categories as the Council may prescribe.

C. *Confidentiality of Information.* All information furnished to the Council on Form Pay-2 will be treated as confidential in accordance with Section 4(f) of the Council on Wage and Price Stability Act, 12 U.S.C., 1904, note, and 6 CFR Part 702, 44 FR 59166 (October 12, 1979).

D. *Who Should File.* All states, counties, and cities with 5,000 or more employees and any other governments designated by the Council are requested to file.

E. *What to File.* Each reporting government is requested to submit a separate Pay-2 (one copy) for its individual employee units as defined in Section 705B-2 of the Pay Standard. However, regarding collective-bargaining units, governments are requested to file reports only for collective-bargaining contracts negotiated during the program year (and not considered exempt as specified in Section 705B-3(e) of the Pay Standard). Governments should report base-period pay rates (column a) and projected pay rates for the end of the program year (column b).

F. *Where to File.* Form Pay-2 should be sent to: Office of Pay Monitoring, Council on Wage and Price Stability, Winder Building, 600 17th Street, N.W., Washington, D.C. 20506.

II. *Specific Instructions*

A. *Publication of Pay Standard and Definitions of Terms.* All of the terms used on Form Pay-2 as well as the referenced sections are as defined or set forth in the standard. The first year pay standard was published in the **Federal Register** at 44 FR 60772 (December 28, 1978); 44 FR 9582 (February 13, 1979); and 44 FR 17910 (March 23, 1979). The standard is further explained in the "Pay and Price Standards—Implementation Guide" at 44 FR 5339 (January 25, 1979) and by the questions and answers appearing with these publications. Additional questions and answers appear at 44 FR 32338 (June 25, 1979). Special Procedural Rules for complying with the standard appear at 44 FR 1346 (January 4, 1979); 44 FR 5337 (January 25, 1979); 44 FR 9585 (February 13, 1979); 44 FR 17916 (March 23, 1979); and 44 FR 23777 (April 20, 1979).

B. *Note on Calculations of Pay Rates.* For compliance with the standard, pay excludes all wages and benefits to workers earning straight-time wages of four dollars per hour or less as of October 1, 1978, as well as wages and benefits for workers hired during the program year at a straight-time wage of four dollars per hour or less. Also, pay excludes deferred compensation paid in the base period but earned in an earlier period. Pay includes deferred compensation earned in the program period but not paid in the program period.

All pay rates should be calculated as pay per straight-time hour worked. When paid leave hours are incurred irregularly, these hours should be calculated according to the leave practices in effect at the end of the base quarter and at the end of the program year as though they were incurred evenly over time. Governments may use a straight-time hours-paid-for basis (e.g., for salaried workers) where paid leave is included in straight-time wage and salary pay and only changes to paid leave practices are reported as a benefit. Increases/decreases in paid leave hours during the program period affect the straight-time hours and correspondingly will increase/decrease the cost of all benefits. The Council does not expect governments to make inordinate calculations to complete this form; a good faith estimate should be made when data are not available.

C. *Instructions on Some Specific Items on Form Pay-2.*

Item 3—The compliance unit may use either the base quarter (program quarter) or the last pay period within the respective quarter.

Part II—*Pay-Rate Data*

Item A—Straight-time wages should include cost-of-living adjustments (COLAs), longevity/merit increments, and qualification increments. Check the appropriate box indicating the items included in this category. For multi-year agreements, enter the pay rate at the end of the old contract in *column a* and the pay rate at the end of the new contract in *column b.* The projected pay rate to be in effect at the end of each year of the multi-year agreement should be reported in Section G.

Item B—Benefits include, where applicable, employer contributions or costs for the items listed in Section B. (See also 705D definition of "Pay").

Item D—The pay standard provides exceptions, exclusions, and special treatment of some pay. Use this item to enter the amounts of pay which may be subtracted from the actual pay rate to give the chargeable pay rate under the pay standard. All amounts should be calculated as pay divided by straight-time hours.

Item D4—For an unaltered pay-related pension plan, governments may exclude the entire pension costs from both the base period and the program period.

Item D5—Enter on this line the amounts of pay exceptions whether granted by the Council or self-administered. Exceptions are made for tandem pay-rate changes (TA), pay-rate increases traded for productivity-improving work-rule changes in union agreements (WR), pay-rate increases attributable to acute labor shortages (LS), and undue hardship or gross inequity cases (WH). Check each type of exception next to the appropriate exception code.

BILLING CODE 3510-22-M

PROPOSED

Form Pay-2
(10/15/79)

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON WAGE AND PRICE STABILITY

REPORT ON COMPLIANCE WITH THE PAY STANDARD FOR STATE, COUNTY AND CITY GOVERNMENTS

NOTICE – All information furnished to the Council on Form Pay-2 will be treated as confidential in accordance with Section 4(f) of the Council on Wage and Price Stability Act, 12 U.S.C. 1904, note, and 6 CFR Part 702 FR 59166 (October 12, 1979)

PLEASE READ THE ENCLOSED INSTRUCTIONS BEFORE COMPLETING THIS REPORT

Send this form with relevant attachments to:
Office of Pay Monitoring
Council on Wage and Price Stability
Winder Building
600 17th Street, NW.
Washington, D.C. 20506

NOTE: Please indicate "Submission of Form Pay-2" lower left hand corner of the envelope.

1. Certification

Head of government or authorized designee	Title
b. Name of government	Telephone (Area code, No., Ext.)
c. Name of person to contact regarding this report	Telephone (Area code, No., Ext.)
d. Address (If different from mailing label)	

To the best of my knowledge and belief, the data submitted herewith are factually correct, complete, and prepared in accordance with instructions. It is requested that the information submitted herewith be considered as confidential within the meaning of Section 4(f) of the Council on Wage and Stability Act, 12 U.S.C. 1904, Note, and 6 CFR Part 702, 44 FR 59166 (October 12, 1979).

e. Signature	Date

2. Total number of employees in unit (low wage employees should be excluded)

Type of employee unit (See 705B-2): (check one)

☐ Collective bargaining ☐ Management ☐ All other

3. Compliance Comparison Periods:

(a) Base quarter (See 705D) or last pay period (mo.,day, yr,)
From: __/__/__ To __/__/__

(b) Program quarter (see 705D) or last pay period (mo.,day,yr.)
From: __/__/__ To __/__/__

4. Method of Computation: (Check one)

☐ (CB) Collective bargaining (705B-3) ☐ (UA) Unit average (snapshot) (705B-4a)

☐ (FP) Fixed population (705B-4b) ☐ (WA) Weighted average (705B-4e)

Note this choice determines the method of calculating columns (a) and (b) below

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Part II - Pay-Rate Data (Fill in only those items that apply to the method of calculation chosen).

	(a) Base-Quarter Pay Rate	(b) Program-Quarter Pay Rate
A. Straight-Time Wage and Salary (including cost of living adjustment ☐, longevity increment ☐, and/or qualification increment ☐).		
B. Benefits 1. Pay for time not worked		
2. Health Benefits		
3. Pension Benefits		
4. Other		
C. Total Pay Rate (Sum of A and B1 through B4)		
D. Adjustments 1. Amount over the 6% COLA assumption (See 705B-3)		
2. Qualification increments (See Q10, 44 FR 5363, II D, Q10)		
3. Maintenance of health benefits (See 705B-6)		
4. Pension benefits (See 705B-7)		
5. Pay exceptions Type (TA ☐ LS ☐ WR ☐ WH ☐)		
6. Other (Attach description)		
7. Adjustment totals (sum of D1 through D6)		
E. Adjusted Pay Rate (difference between C and D-7)		

	Percent
F. Summary 1. Percentage change in actual pay rate from base quarter to program quarter	%
2. Percentage change in adjusted pay rate from base quarter to program quarter	%
G. Yearly Percentage Changes in Adjusted Pay Rates for Multi-Year Agreements (See the Implementation Guide) 1. End of the first year	%
2. End of the second year	%
3. End of the third year	%
4. Over the contract period	%

H. Explain any circumstances that have caused the adjusted pay-rate change in F-2 above to exceed 7 percent

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BILLING CODE 3510-22-C