

PANAMA CANAL COMPANY**Increase in Tolls for Use of Panama Canal****AGENCY:** Panama Canal Company.

SUMMARY: On March 30, 1979, the Panama Canal Company announced a proposed increase in tolls for use of the Panama Canal, to be effective on October 1, 1979. (44 FR 18994). Statutory provisions concerning notice, public hearing and Presidential approval, and the Company's rulemaking procedures would apply and were explained in the notice.

On September 27, 1979, the President signed into law the Panama Canal Act of 1979 (Pub. L. 96-70). Section 1605 of that statute, which became effective on enactment, provides that the Company may change the rates of tolls for use of the Panama Canal during the fiscal year beginning on October 1, 1979, without regard to the procedures required for future increases. Rates of tolls for use of the canal are to be prescribed under the provisions of section 1602(b) of the Act, and any increase under section 1605 requires Presidential approval and becomes effective on the date prescribed by him.

ACTION: *Notice of increase in tolls for use of the Panama Canal.* Notice is hereby given that in accordance with sections 1602(b) and 1605 of the Panama Canal Act of 1979, the rates of tolls prescribed by the Panama Canal Company and approved by the President which have been in effect since November 18, 1976, are changed as follows:

(a) On merchant vessels, yachts, army and navy transports, colliers, hospital ships, and supply ships, when carrying passengers or cargo, \$1.67 per net vessel ton of 100 cubic feet each of actual earning capacity determined in accordance with the rules for the measurement of vessels for the Panama Canal.

(b) On vessels in ballast without passengers or cargo, \$1.33 per net vessel ton.

(c) On other floating craft including warships, other than transports, colliers, hospital ships, and supply ships, \$0.93 per ton of displacement.

Notice is also given that, due to the foregoing action by the Company and the President, the proposal to increase tolls initiated on March 30, 1979, is cancelled.

EFFECTIVE DATE: The foregoing changes in the toll rates have been approved by the President and, as prescribed by him, will become effective on October 1, 1979.

FOR FURTHER INFORMATION CONTACT:

Thomas M. Constant, Secretary, Panama Canal Company, 425—13th Street, N.W., Washington, D.C. 20004, Phone: (202) 724-0104.

Dated: September 29, 1979.

Hazel M. Murdock,

Assistant to the Secretary.

[FR Doc. 79-30653 Filed 10-1-79; 11:02 am]

BILLING CODE 3640-01-M

Sunshine Act Meetings

Federal Register

Vol. 44, No. 192

Tuesday, October 2, 1979

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409) 5 U.S.C. 552b(e)(3).

Chairman, Marvin S. Cohen
Member, Richard J. O'Melia
Member, Elizabeth E. Bailey
Member, Gloria Schaffer.

[S-1917-79 Filed 9-28-79; 2:47 pm]

BILLING CODE 6320-01-M

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[M-249, Amdt. 2; Sept. 26, 1979]

CIVIL AERONAUTICS BOARD.

Notice of addition and deletion of item to the September 27, 1979, meeting.

TIME AND DATE: 9:30 A.M., SEPTEMBER 27, 1979.

PLACE: Room 1027, 1825 Connecticut Avenue NW., Washington, D.C. 20428.

SUBJECT:

1a. Docket 32581, Agreements Adopted by the International Air Transport Association Relating to the Traffic Conferences (Memo 9171, OGC).

29. Dockets 35893, 36005, 36020, 36024, 36031, 36033, 36035, 36036, 36049, 36052, 36054, and 36057; Boston/Philadelphia/Washington-Orlando Show-Cause Proceeding (BDA, BIA, OGC) (Boston Portion).

STATUS: Open.

PERSON TO CONTACT: Phyllis T. Kaylor, The Secretary, (202) 673-5068.

SUPPLEMENTARY INFORMATION: The short notice request if necessary to assure, if the Board adopts the draft order, timely receipt and consideration of the Department of State's classified testimony by the Board prior to the October 1979 legislative hearings in this proceeding. Item 29 is being deleted because the programmatic Environmental Impact Statement will be ready for Board consideration at next week's meeting and the staff believes that it would be helpful to consider the Massport question at the same time. Accordingly, the following Members have voted that agency business requires the addition of Item 1a and the deletion of Item 29 from the September 27, 1979 agenda and that no earlier announcement of these changes was possible:

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[M-250; Sept. 27, 1979]

CIVIL AERONAUTICS BOARD.

TIME AND DATE: 9:30 a.m., October 4, 1979.

PLACE: Room 1027, 1825 Connecticut Avenue NW., Washington, D.C. 20428.

SUBJECT:

1. Ratification of items adopted by notation.

2. Docket 32485, *Baltimore/Washington-St. Louis Route Proceeding*—Memorandum of Issues and Questions for Instructions (For Information Memo dated September 21, 1979, OGC).

3. Dockets 32393, 32394, 32395 and 33361, *Former Large Irregular Air Service Investigation* (Conner Air Air Lines, Inc. and F.A. Conner)—Order on Discretionary Review (OGC).

4. Docket 35661—Minimum charter size reduction for Overseas Military Personnel Charters (Memo 8830-A, OGC, BDA).

5. Docket 35471 Petition by the Aviation Consumer Action Project to establish separate subaccounts in Part 241 in which carriers would list each expense incurred as a result of their discriminatory employment practices (OGC).

6. Draft Program Environmental and Energy Impact Statement on Multiple Permissive Entry Policy (BDA, OEA, OGC).

7. Dockets 35893, 36005, 36020, 36024, 36031, 36033, 36035, 36036, 36049, 36052, 36054, and 36057; Boston/Philadelphia/Washington-Orlando Show-Cause Proceeding (Boston Portion) (BDA, BIA OGC).

8. Docket 35254, et al.—Boston-Detroit Show-Cause Proceeding (Memo 8628-A, BDA).

9. Docket 35492, Boston-Dallas/Fort Worth-Houston Show Cause Proceeding; New or amended Applications for Boston-DFW/Houston authority of Braniff (Docket 33516), Ozark (Doc 34001), TXI (Doc 35663), Western (Doc 35672), Delta (Doc 35668), USAir (Doc 33645), Northwest (Doc 33623) and Republic (Doc 35671) application of American (Doc 3562 for Boston-Houston authority; application of Eastern (Doc 35655) for Boston-DFW authority (Memo 8686-B, BDA).

9a. Docket 34681, Request for instructions on Carrier Selection, Upstate New York case (BDA, OGC, OEA).

10. Dockets 36069 and 36225, Applications of USAir and Piedmont for Louisville-Columbus, Ohio Authority, Carriers Request

Show-Cause Procedures Pursuant to Subpart Q, (BDA, OGC, BLJ).

11. Docket 35362, *New Orleans-Baltimore/Washington Show-Cause Proceeding*, applications by Texas International, Braniff, Northwest, USAir, Ozark, Continental, Western, Republic, and American for certificate authority (BDA).

12. Docket 36175, *Salt Lake City-Reno/Las Vegas Show-Cause Proceeding*; (Memo 8985-A, BDA).

13. Docket 36369, Application of Air Wisconsin for Columbus-Indianapolis-Lafayette authority (BDA).

14. Dockets 36203, 36311 and 36309—Applications of Eastern and USAir for Atlanta-Rochester, N.Y., authority, and Eastern's request for an exemption, pendent lite; (Memo 9168, BDA).

15. Docket 36107, Application of Northwest for Anchorage-Honolulu authority (BDA).

16. Docket 32747 Air North, Inc., application for a certificate of public convenience and necessity under section 401 of the Act (Memo 9169, BDA, OGC, BLJ).

17. Dockets 34775, 35022, 35179, and 35584—Applications of Continental, Braniff, National and Airwest for Spokane-Denver authority (Memo 8550-C, BDA).

18. Docket 34793, Notice of Intent of United Air Lines to suspend service at Visalia, California (BDA).

19. Docket 36193—United's notice of intent to suspend service at Atlanta, Georgia (BDA).

Closed

20. Docket 28672—IATA Agreements Concerning Agency Matters Uniform Commission Rates, Reconsideration of Order 78-8-87; Request for instructions (OGC).

21. Docket 30332, Agreements CAB 27769-R5 and R-6; Docket 30777 Agreements CAB 27770-R10 and -R11; Agreements among members of IATA setting interline service charges (Memo 9048, BDA, OGC, BLJ, BIA).

STATUS: 1-19 Open 20-21 Closed.

PERSON TO CONTACT: Phyllis T. Kaylor, the Secretary, 202 673-5068.

SUPPLEMENTARY INFORMATION:

premature public disclosure of opinions, evaluations, and strategies could seriously compromise the ability of the United States to achieve objectives which would be in the best interests of the United States. Accordingly, the following Members have voted that public observation of this meeting would involve matters the disclosure of which would be likely to significantly frustrate implementation of proposed agency action within the meaning of the exemption provided under 5 U.S.C. 552b(c)(9)(B) and 14 CFR Section 310b.5(9)(B) and that the meeting will be closed:

Chairman, Marvin S. Cohen

Member, Richard J. O'Melia
Member, Elizabeth E. Bailey
Member, Gloria Schaffer

Persons Expected To Attend

Board Members.—Chairman, Marvin S. Cohen, Member, Richard J. O'Melia; Member, Elizabeth E. Bailey; and Member Gloria Schaffer.

Assistants to Board Members.—Mr. David Kirstein, Mr. James L. Deegan, Mr. Daniel M. Kasper, and Mr. Stephen Lachter.

Managing Director.—Mr. Cressworth Lander.

Executive Assistant to the Managing Director.—Mr. John R. Hancock.

Office of the General Director.—Mr. Michael E. Levine and Mr. Steven A. Rothenberg.

Office of the General Counsel.—Ms. Mary Schuman, Mr. Gary J. Edles, Mr. Dan D. Campbell, and Ms. Mary E. Allendorfer.

Office of Economic Analysis.—Mr. Robert H. Frank and Mr. Larry Manheim.

Bureau of Consumer Protection.—Mr. John T. Golden and Ms. Patricia Kennedy.

Bureau of Domestic Aviation.—Ms. Barbara A. Clark, Mr. Mark S. Kahan, Mr. Paul H. Karlsson, Mr. Paul L. Gretch, Mr. James Saltsman, Mr. Kevin Kennedy, and Mr. Curtis B. Maloy.

Bureau of International Aviation.—Mr. Sanford Rederer, Mr. Ivars V. Mellups, Mr. Parlen L. McKenna, Mr. Richard M. Loughlin, Mr. Regis P. Milan, Mr. Herbert P. Aswall, and Mr. John H. Kiser.

Office of the Secretary.—Mrs. Phyllis T. Kaylor, Ms. Deborah A. Lee, and Ms. Louise Patrick.

General Counsel Certification

I certify that this meeting may be closed to the public under 5 U.S.C. 552b(c)(9)(B) and 14 CFR Section 310b.5(9)(B) and that the meeting may be closed to public observation.

Philip Bakes,

General Counsel.

[S-1918-79 Filed 9-28-79; 2:47 pm]

BILLING CODE 6320-01-M

3

FEDERAL MARITIME COMMISSION.

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: September 28, 1979, 44 FR 56096.

PREVIOUSLY ANNOUNCED TIME AND DATE OF THE MEETING: October 3, 1979, 10 a.m.

CHANGE IN THE MEETING: The description of item 5 on the open portion is corrected to read:

5. Matson Navigation Company—60 Percent Increase in Wharfage Charges at U.S. West Coast Ports Only in Tariffs FMC-F Nos. 165, 166 and 167.

[S-1919-79 Filed 9-28-79; 2:47 pm]

BILLING CODE 6730-01-M

4

FEDERAL MARITIME COMMISSION.

TIME AND DATE: October 2, 1979, 11 a.m.
PLACE: Room 12126, 1100 L Street NW., Washington, D.C. 20573.

STATUS: Closed.

MATTER TO BE CONSIDERED: Korean Cargo Preference Law—State Department Briefing. PERSON FOR MORE INFORMATION: Francis C. Hurney, Secretary, (202) 523-5725.

[S-1920-79 Filed 9-28-79; 2:47 pm]

BILLING CODE 6730-01-M

5

FEDERAL RESERVE SYSTEM: Board of Governors.

TIME AND DATE: 11 a.m., Friday, October 5, 1979.

PLACE: 20th Street and Constitution Avenue NW., Washington, D.C. 20551.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. Proposed revisions to the Board's policy regarding consultants.
2. Issues related to employee compensation. (This matter was originally announced for a meeting on September 28, 1979).
3. Personnel actions (appointments, promotions, assignments, and salary actions) involving individual Federal Reserve System employees.
4. Any agenda items carried forward from a previously announced meeting.

CONTACT PERSON FOR MORE

INFORMATION: Mr. Joseph R. Coyne, Assistant to the Board: (202) 452-3204.

Dated: September 27, 1979.

Griffith Garwood,

Deputy Secretary of the Board.

[S-1911-79 Filed 9-28-79; 9:40 am]

BILLING CODE 6210-01-M

6

NATIONAL CREDIT UNION ADMINISTRATION.

TIME AND DATE: 9:30 a.m., Thursday, October 4, 1979.

PLACE: 2025 M Street NW, Washington, D.C., 4th Floor Conference Room.

STATUS: Open.

MATTERS TO BE CONSIDERED:

1. Final Rule, Corporate Central Federal Credit Union.
2. Delegations to Executive Resources Board.
3. The current economic situation as it may affect the Federal credit union loan interest ceiling.
4. Applications for charters, amendments to charters, bylaw amendment, mergers and insurance as may be pending at that time.
5. Review of Central Liquidity Facility lending rates.

RECESS: 10:30 a.m.

TIME AND DATE: 11 a.m., October 4, 1979.

PLACE: 2025 M Street NW, Washington, D.C., 4th Floor Conference Room.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. Requests from federally insured credit unions for special assistance under Section 208 of the Federal Credit Union Act in order to prevent their closing. Closed pursuant to exemptions (8) and (9)(A)(ii).

2. Administrative Actions. Closed pursuant to exemptions (8), (9)(A)(ii), and (10).

3. Any agenda items carried forward from a previously announced closed meeting.

CONTACT PERSON FOR MORE

INFORMATION: Rosemary Brady, Secretary of the Board, Telephone (202) 254-9800.

[S-1913-79 Filed 9-28-79; 11:52 am]

BILLING CODE 7535-01-M

7

NATIONAL CREDIT UNION ADMINISTRATION.

TIME AND DATE: 9:30 a.m., Wednesday, September 26, 1979.

PLACE: 2025 M Street NW., Washington, D.C., 4th Floor Conference Room.

STATUS: Open.

CHANGES IN THE MEETING: Additional items considered and carried forward.

1. Central Liquidity Facility lending rate.
2. Approval of depositories for the Central Liquidity Facility.

Upon recommendation from staff that agency business required prompt consideration of these two items, and that seven days prior notice was not possible, the Board unanimously voted at the meeting to consider these two items then at its open session.

Proposed modification of Interagency Truth-in-Lending Reimbursement Program postponed until October 10, 1979 meeting.

TIME AND DATE: 11 a.m., Wednesday, September 26, 1979.

PLACE: 2025 M Street NW., Washington, D.C., 4th Floor Conference Room.

STATUS: Closed.

CHANGES IN THE MEETING: Vote to recess and continue meeting at another time.

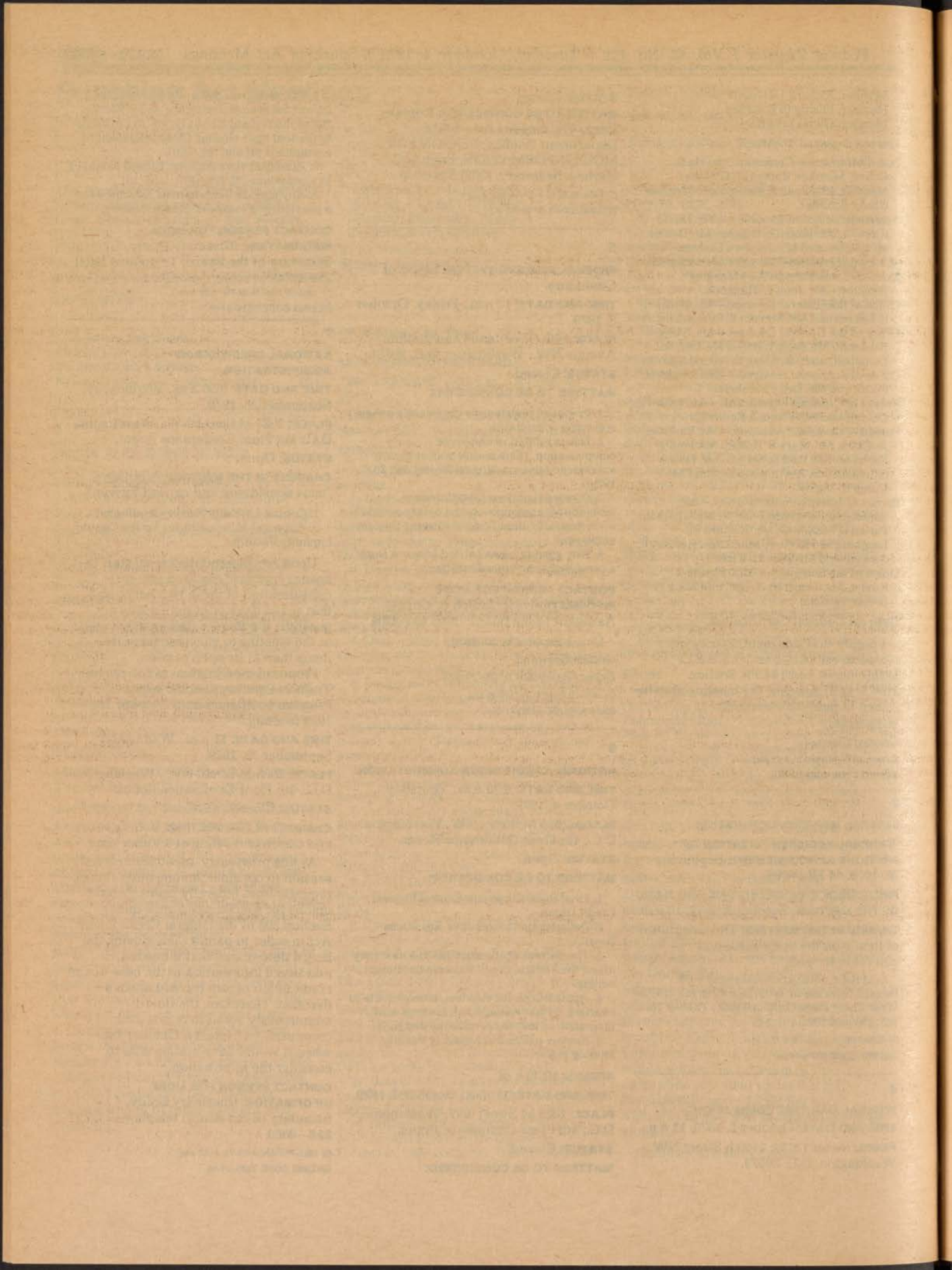
At this previously announced closed session to consider, among other things, requests from federally insured credit unions for special assistance under Section 208 of the Federal Credit Union Act in order to permit their closing the Board determined that it needed additional information in the case of one credit union before it could make a decision. Therefore, the Board unanimously voted to recess and reconvene on Monday, October 1st, when it would have and be able to consider the information.

CONTACT PERSON FOR MORE

INFORMATION: Rosemary Brady, Secretary of the Board, telephone (202) 254-9800.

[S-1912-79 Filed 9-28-79; 11:52 am]

BILLING CODE 7535-01-M



federal register

Tuesday,
October 2, 1979

Part II

Environmental Protection Agency

**Proposed Rule and Interim Guidance for
Notification of Export for Polychlorinated
Biphenyls and Fully Halogenated
Chlorofluoralkanes**

**ENVIRONMENTAL PROTECTION
AGENCY**

40 CFR Part 707

[OTS-120001; FRL 980-8]

**Notification of Export for
Polychlorinated Biphenyls and Fully
Halogenated Chlorofluoralkanes.**

AGENCY: Environmental Protection Agency.

ACTION: Proposed Rule and Interim Guidance for Polychlorinated Biphenyls and Fully Halogenated Chlorofluoralkanes.

SUMMARY: The Environmental Protection Agency (EPA) solicits public comment on the following proposed rule regarding the procedures for submitting export notifications under section 12(b) of the Toxic Substances Control Act (TSCA), 15 U.S.C. 2611(b). These notices are statutorily required whenever certain regulatory actions are taken with respect to a chemical substance or mixture under section 4, 5, 6, or 7 of the TSCA. In addition, the procedures proposed herein will supersede, effective immediately, earlier interim guidance published in the June 7, 1978, *Federal Register* (43 FR 24818) regarding notifications of export for fully halogenated chlorofluoralkanes (chlorofluorocarbons) and polychlorinated biphenyls (PCBs).
DATES: Written comments must be submitted prior to December 31, 1979.

ADDRESS: Written views and comments should bear the document control number OTS-120001 and should be submitted to the U.S. Environmental Protection Agency, Office of Toxic Substances, Chemical Information Division (TS-793), 401 M Street, SW, Washington, DC 20460, Attention: Document Control Officer. All written comments filed pursuant to this notice will be available for public inspection in the Office of Toxic Substances, Room 447 East Tower from 9:00 a.m. to 5:00 p.m., Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Industry Assistance Office, Office of Toxic Substances (TS-799), Environmental Protection Agency, 401 M Street, SW, Washington, DC 20460; or call 800-424-9065, or, in Washington, call 554-1404.

SUPPLEMENTARY INFORMATION: Section 12(b) of the TSCA requires that any person who exports or intends to export a chemical substance or mixture for which the submission of data is required under section 4 or 5(b), for which an order has been issued under section 5,

for which a rule has been proposed or promulgated under section 5 or 6, or with respect to which an action is pending, or relief has been granted under section 5 or 7, must so notify the Administrator. Upon receipt of such notification, section 12(b) requires EPA to furnish the government of the importing country with:

1. Notice of such rule, order, action, or relief under section 5, 6, or 7; or
2. Notice of the availability of data received pursuant to action under section 4 or 5(b).

EPA published interim guidance in the June 7, 1978, *Federal Register* outlining procedures for submitting notification of export for chlorofluorocarbons and polychlorinated biphenyls (the two chemicals presently regulated under section 6). EPA now proposes final procedural and interpretive rules applicable to the export of any chemical substance or mixture subject to section 12(b).

This rule requires exporters to submit, for each regulated chemical, a single notice each year for each country to which the chemical is exported. Notice must be submitted to EPA by letter and include the following: the name and address of the exporter, the name of the chemical, the country of import, and the EPA action which precipitated notification. The Agency, in turn, will advise the country of import of the U.S. regulatory action. No notification is required for the export of articles, except in the case of PCBs described herein.

Contents and Frequency of Notice

Neither TSCA nor its legislative history provides definitive guidance as to the implementation of section 12(b). The conference report states that EPA should provide information to foreign governments so that they may protect their own citizens, but does not specify in detail the contents of the notice, how often EPA and the foreign governments are to be notified, or whether the exporter and EPA must provide advance notice of export. In order to resolve these questions, EPA analyzed the various possible purposes that could be attributed to the section 12(b) notice.

One possible interpretation of section 12(b) is that the notice is to contain sufficient information to enable foreign governments to assess the hazards posed by—and, if indicated, stop—individual, specific shipments of chemicals being imported from the United States. The alternative construction is that section 12(b) is primarily intended to alert and inform foreign countries in a more general way of possible health and environmental

hazards that may be associated with the chemical. The absence of any reporting mandate—beyond the bare requirement to inform a foreign country of EPA's domestic regulatory actions, and of the availability of certain health effects data—suggests that the intended focus of the notice is on the chemical and what EPA has done, rather than on specific export shipments from the United States. We have concluded, moreover, that the narrower construction is preferable for several policy reasons.

To implement the broader option, EPA would have to require substantially more information from the exporter than the statute would appear to require. To react effectively, the foreign government would need such information as the date of shipment, the anticipated date of arrival, the port of entry, the exporter's and importer's names and addresses, the generic and trade names of the chemical (for identification purposes), and, possibly, the quantity being shipped. As noted above, the language of section 12(b) simply indicates that EPA is to notify the foreign country of domestic actions taken under TSCA, and is silent on whether to do so in conjunction with each shipment. We are reluctant to infer a broader purpose to section 12(b), given (1) EPA's policy of minimizing excessive and burdensome reporting requirements, (2) the lack of assurance that foreign governments actually want such information (cf., item 2 of official rulemaking record), and (3) the uncertainty that such information would be useful or sufficient. There is also some concern that confidentiality problems would arise in releasing commercial information to foreign governments.

Accordingly, the Agency has determined that the section 12(b) notice should be designed to inform the foreign government of EPA's domestic actions under TSCA and of the availability of health effects data submitted pursuant to section 4 or 5(b), but not to provide information on specific U.S. shipments. Therefore, no purpose would be served by requiring exporters to notify EPA of each shipment; instead they will simply be required to submit, for each regulated chemical, a single notice each calendar year for each country to which the chemical is exported.

A related issue is the timing of exporter notice to EPA. The statute refers to "export or intent to export". EPA could require two notices—one for intent to export, and one at the time of actual export. However, such a two-step notice system would be burdensome and of no apparent utility since EPA

does not propose to provide foreign governments with notice of each shipment. Therefore, this rule requires only a single notice of either export or intent to export. However, a notice of intent to export must be based on a definite contractual obligation to export the regulated chemical. If no such contractual obligation exists, export must be considered hypothetical and not reportable. All notices of export must be submitted no later than seven days after shipment. Seven days was selected in order to give exporters sufficient time to notify EPA, while assuring that EPA will receive information in a timely fashion so as to notify the foreign government. Notices of intent to export must be submitted in the same calendar year as the date of export shipment.

The issue of whether some estimate of the quantity being exported should be included in the notice to EPA has also been considered. Such a provision, for example, might require an annual estimate of the quantity of the chemical to be exported to the given country. The purpose would be to provide the importing country with data that might help it assess the potential risk associated with the specific amounts of the chemical being imported from the United States. The Agency does not intend to require such estimates of quantity because, as noted above, EPA believes the section 12(b) rule should be designed to alert the importing nations as to the domestic regulatory action taken under TSCA, and to the inherent properties of the chemical that prompted that action, rather than to the particular hazard that might be associated with specific amounts imported from the United States. Moreover, reporting such estimates would substantially increase the reporting burden on both exporters and the EPA, and would probably raise confidentiality problems. Finally, there is the question of whether this information would actually be useful to the importing country if it did not have comparable data regarding the amounts imported from other nations. Therefore, quantity information is not required by the proposed rule.

EPA has explored the possibility of using export data already generated under Department of Commerce, Bureau of the Census requirements, in lieu of the notice proposed here, as a source of the information EPA needs in order to inform foreign governments.

Under the existing Department of Commerce regulations, exporters must file for each export a completed *Shipper's Export Declaration* form. The Bureau of the Census compiles, from the data on these forms, a publicly available

monthly listing (EM 522) of all exports for the preceding month. This listing includes the name and identifying "Schedule B" number of the exported commodity, the country of import, and the quantity and value of the shipment.

Theoretically, EPA could, in some cases, simply:

- (1) Ascertain the Schedule B number assigned by Census to each substance for which notification is required under section 12(b);

- (2) Determine, from Census publication EM 522 each month, which of these substances have been exported, and to which countries; and

- (3) Notify the governments of those countries in accordance with the procedures recommended in this proposal.

Initial discussions with Census indicated that this approach was workable. However, a number of problems surfaced in later discussions which make direct notification to EPA more practical.

First, Census data could not be used in all cases. Constraints imposed on the Census system by the Foreign Trade Statistics Act prevent assignment in many cases of substance-specific Schedule B numbers for TSCA regulated chemicals. Without these numbers, Census data would be unusable for section 12(b) purposes. In such cases, exporters would be required to report directly to EPA. In addition, even if Schedule B numbers were assigned to TSCA chemicals, these numbers would be subject to change as the Census system changes. The result would be confusion for both EPA and the exporter.

Secondly, there are several exemptions to the requirement to file a *Shipper's Export Declaration* form, but the section 12(b) requirements have no corresponding exemptions. This situation would again require direct notification to EPA.

Thirdly, Census data for a specific substance would not be available for six to eight weeks following export. By the time EPA receives the data and reviews it for TSCA regulated substances, many weeks would have elapsed before the importing country could be notified. This is not consistent with our intent to provide notice in a timely fashion.

In view of the fact that only minimal information is being required, and that using Census data would be complicated and confusing for both EPA and exporters, this rule proposes that exporters notify EPA directly in all cases.

Another issue is whether notice must be given to EPA if the chemical is being exported for a use, or in a manner, that

is not regulated domestically under the relevant section 4, 5, 6 or 7 rule or order. The statutory export notification requirement pertains to the chemical substance or mixture itself, and is not qualified by, nor limited to, the nature of the domestic TSCA regulation. Thus, for example, exporters of chlorofluorocarbons are required to submit notices whether they are exporting for regulated (aerosol propellant) or unregulated (e.g., refrigerant) uses.

It is doubtful that EPA has the discretion to waive this requirement, nor is EPA convinced such a waiver would be wise. First, the task of determining whether the intended uses of specific shipments fell within the scope of the domestic regulation would probably be more difficult than simply routinely notifying the Administrator; in many cases the exporter will not know the intended uses. Secondly, if some exporters did receive a waiver, EPA would have no way of knowing whether an exporter's failure to report was because he was exempt or because he was violating section 12. Finally, the fact that EPA regulated the chemical, if not the use of process for which exported, is still pertinent to the foreign government. Different circumstances in the foreign country may point to a different regulatory emphasis than that taken by EPA (including a decision to regulate the chemical in a manner different than EPA chose).

Explanation of the Notice

This rule would require exporters to submit to EPA, by letter, the following information: the name and address of the exporter, the section of TSCA under which EPA has taken its most recent action, the country of import, the date of export or intended export, and the name of the regulated chemical substance or mixture as it appears in the EPA action under section 4, 5, 6, or 7 (unless the action refers to a category of chemicals, in which case the preferred name of the chemical within the category as it appears in Volume I of the EPA Chemical Substance Inventory should be given). It should be noted that notice of export is required for chemicals subject to *proposed* and final rules under section 5 or 6. Of course, when a rule becomes final, notice will no longer be required under the proposed rule.

Notice is required under section 12(b) for PCBs and PCB items, except PCB equipment, exported for any purpose other than disposal. PCBs and PCB items have the definitions published in 40 CFR 761.2(s) and 761.2(x) respectively. Notice of export for PCBs and PCB items for

disposal is required under section 6 of TSCA, see 40 CFR 761.30(c)(3).

The definition of exporter has been adapted from that set forth in the Export Administration Regulations 15 CFR Section 370.2(a)(28). This definition was incorporated because it is already commonly understood by the export community.

EPA Notification to Foreign Governments

EPA considered the issue of whether it must notify foreign governments the first time it receives a notice from each exporter. The statute is unclear on the point. Since notifying previously alerted foreign governments when additional reports are filed by new exporters would be meaningless in the absence of further information, EPA does not propose to send out such additional notices. (However, TSCA section 12(b) still requires each exporter to notify EPA; this is necessary because exporters have no way of knowing whether any other exporters have previously submitted notices applicable to a specific chemical and country.)

EPA will notify the country of import within seven working days after receipt of the first annual notification of export for the particular chemical subject to the EPA action. The notice will be sent to the country's embassy in Washington, DC, and will include a request that an official be designated to receive any subsequent notices. In the absence of an embassy, the assistance of the State Department will be sought in determining the appropriate counterpart recipient. A copy of all notices will be sent to the State Department.

The notice will (a) summarize the pertinent regulatory actions that have been taken, or indicate the availability of data that have been or will be received pursuant to any relevant section 4 or 5(b) action; (b) have attached a copy of the pertinent Federal Register notice; and (c) provide the name of an individual to contact should the foreign government seek further information.

Interim Guidance for Reporting Exports of PCBs and Chlorofluorocarbons

In addition to serving as a proposed rule, these procedures immediately supersede earlier interim guidance published in the June 7, 1978, Federal Register (43 FR 24818) regarding notifications of export for PCB's and chlorofluorocarbons. Such notices should now be submitted in accordance with the procedures at sections 707.1, 707.3, and 707.4 of this proposed Part. This step is being taken because the June 1978 guidance has proved to be too

general to be truly useful. The Agency will of course revise these procedures as appropriate after comments are received and reviewed.

Sunset Provision

Internal EPA regulations state that any new reporting requirement must contain a provision for repealing that requirement on a specific date within five years after its promulgation. The general requirements to provide notice of export are exempt from the imposition of such a "sunset" provision because these notices are required by statute. However, the statute does not specifically address the duration of the notice requirement for a given chemical. Therefore, the Agency is considering whether to adopt a sunset provision governing the reporting for a particular chemical. It is likely that export notifications to foreign governments for the same chemical will become less useful over time, since no new information will be imparted by repetitive notices to the same country. On the other hand, if a sunset provision is adopted, a country to which a chemical is exported for the first time after the sunset provision takes effect may not become aware of EPA action on the chemical. The likelihood of this is unknown. The Agency invites comment on whether this rule should include a sunset provision governing the duration of the reporting requirement.

Official Rulemaking Record

EPA has established the official record for this rule (docket number OTS 120001) which is available for public inspection in the Office of Toxic Substances, Room 447 East Tower from 9 a.m. to 5 p.m. on working days. This record includes (1) the rule being reviewed, (2) written comments, and (3) any other information the Administrator identifies on or before the rule's promulgation date. Accordingly, drafts of the rule included in this record will be limited to those released outside the Agency. The record includes the following categories of information:

1. This proposed rule.
2. Minutes of informal meetings held on September 13, 14, and 19, 1978, and October 27, 1978, with industry and foreign government representatives.
3. A letter from Natural Resources Defense Council concerning interim procedures under section 12(b).
4. A draft of this proposed rule sent to the Manufacturing Chemists Association (now Chemical Manufacturers Association).
5. Letters of transmittal sent with that draft (item 4), and written comments received on it.

6. Correspondence with the Bureau of the Census, dated April 11, April 18, April 30, June 14, and June 26, 1979, concerning possible use of Federal Trade Statistics Act data.

EPA will designate the complete rulemaking record on or before the date the rule is promulgated. The final rule will permit persons to point out any errors or omissions in the record.

Note.—EPA has determined that this document does not contain a major proposal requiring preparation of a Regulatory Analysis under Executive Order No. 12044.

This rule is proposed under the authority of section 12(b) of the Toxic Substances Control Act, Pub. L. 94-469, 90 Stat. 2033 [15 U.S.C. 2611(b)].

Dated: September 25, 1979.

Douglas M. Costle,
Administrator.

Title 40 of the Code of Federal Regulations is amended by adding a new Part 707 as set forth below:

PART 707—NOTIFICATION OF EXPORT UNDER SECTION 12(b)

Sec.

- 707.1 Applicability and compliance.
- 707.2 Definitions.
- 707.3 Submission to agency.
- 707.4 Contents of notice.
- 707.5 EPA notice to foreign governments.

Authority: Section 12(b), Pub. L. 94-469, 90 Stat. 2033 [15 U.S.C. 2611(b)].

§ 707.1 Applicability and compliance.

(a) Any person who exports or intends to export a chemical substance, mixture, or in the case of PCBs, items, shall notify the Environmental Protection Agency of such exportation to a particular country if any of the following actions have been taken under the Toxic Substances Control Act with respect to that chemical substance or mixture:

- (1) Data are required under section 4 or 5(b),
- (2) An order has been issued under section 5,
- (3) A rule has been proposed or promulgated under section 5 or 6, or
- (4) An action is pending, or relief has been granted under section 5 or 7.

(b) Any person who exports or intends to export polychlorinated biphenyls (PCBs) or PCB items, except PCB equipment, for any purpose other than disposal shall notify EPA of such intent or exportation under section 12(b). PCBs and PCB items have the definitions published in 40 CFR 761.2(s) and 761.2(x) respectively. However, notice of export of PCBs and PCB items for disposal is required under section 6. [See 40 CFR 761.30(c)(3) for these requirements.]

(c) Failure to comply with these rules and section 12(b) is a violation of section 15(3) of the Toxic Substances Control Act, and subjects the exporter to the penalty, enforcement, and seizure provisions of sections 16 and 17 of the Toxic Substances Control Act.

§ 707.2 Definitions.

The definitions set forth in the Toxic Substances Control Act section 3 apply for this Part. In addition, the following abbreviations and definitions are provided for purposes of this rule:

(a) "EPA" means the Environmental Protection Agency.

(b) "Exporter" means the person who, as the principal party in interest in the export transaction, has the power and responsibility for determining and controlling the sending of the chemical substance, mixture or, in the case of PCBs, items out of the United States.

(c) "TSCA" means the Toxic Substances Control Act.

(d) "Regulated chemical" means any chemical substance, mixture, or, in the case of PCBs, items for which export notice is required under section 707.1.

§ 707.3 Submission to agency.

(a) Notice to EPA shall be given in writing on a calendar year basis for each chemical, and for each country, to which exported or to which export is intended.

(1) In the first calendar year in which the exporter is required to notify EPA, notice shall be given of the first exportation or intent to export to each country that occurs after **Federal Register** publication of an action as described in section 707.1.

(2) In subsequent years, notice shall be given of the first export or intent to export, to each country, in that year.

(3) A notice of export shall be mailed to EPA no later than seven days after the regulated chemical leaves the United States.

(4) Notices of intent to export must be based on a definite contractual obligation to export the regulated chemical. Notices of intent to export shall be submitted in the same calendar year as the date of export.

(b) Notices shall be sent to the Document Control Officer, Chemical Information Division, Office of Toxic Substances (TS-793), Environmental Protection Agency, Washington, D.C. 20460.

§ 707.4 Contents of notice.

The notice to EPA shall include:

(a) The name of the regulated chemical as it appears in the section 4, 5, 6, or 7 action. If a category is regulated, the name of the individual regulated

chemical within that category, as well as the category, must be given. The name shall be that which appears in Volume I of the EPA Chemical Substance Inventory.

(b) The name and address of the exporter.

(c) The country (countries) of import.

(d) The date of export or intended export.

(e) The section [4, 5, 5(b), 6, or 7] of TSCA under which EPA has taken action.

§ 707.5 EPA notice to foreign governments.

(a) Notice by EPA to the importing country shall be sent no later than seven days after receipt of the first annual notification for each regulated chemical.

(b) Notices shall:

(1) Summarize the regulatory action taken, or indicate the availability of data under section 4 or 5(b) of TSCA.

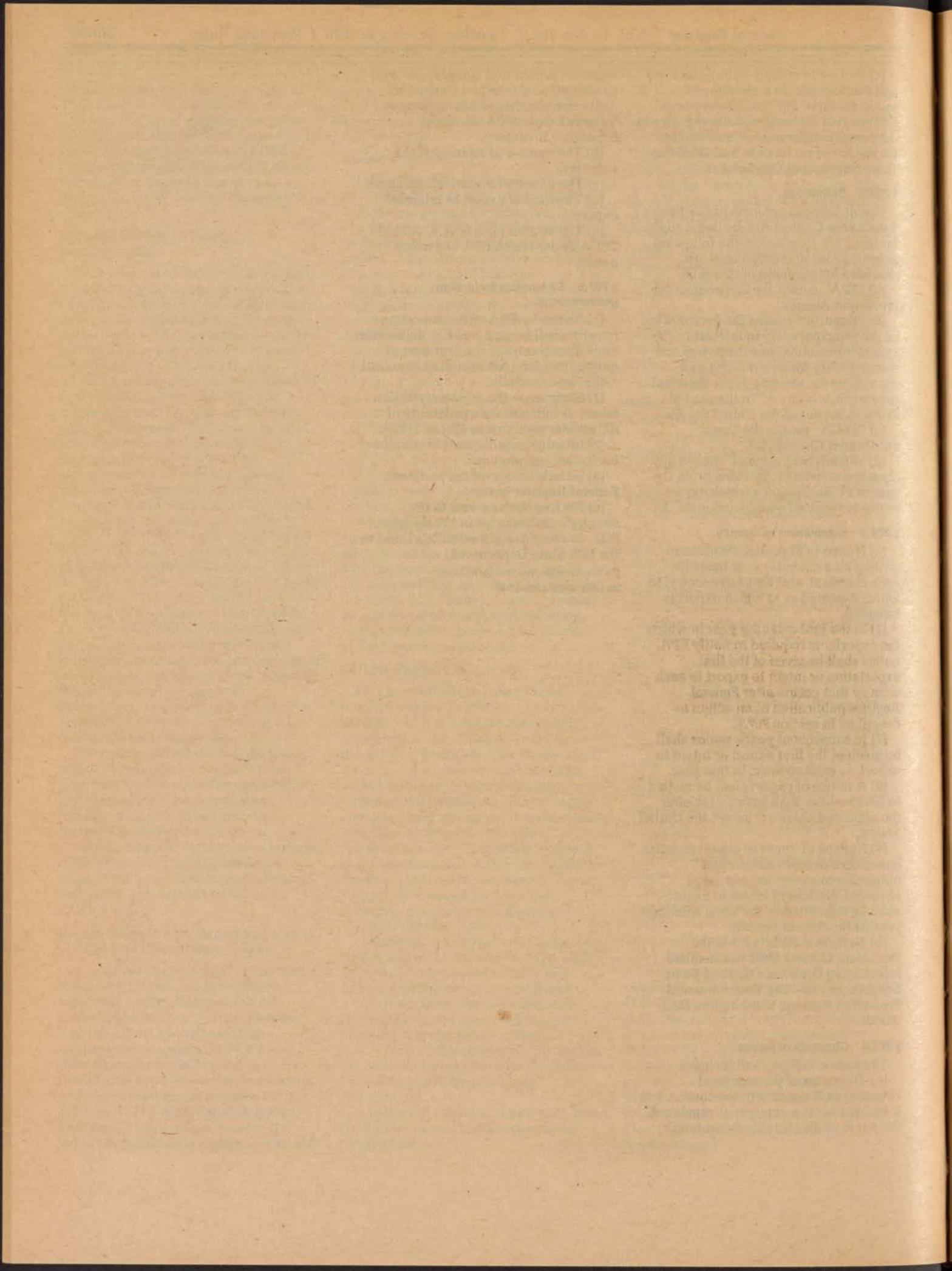
(2) Identify an individual to contact for further information.

(3) Include a copy of the pertinent **Federal Register** notice.

(c) Notices shall be sent to the country's ambassador in Washington, D.C., or other designated official, and to the U.S. State Department.

[FR Doc. 79-30526 Filed 10-1-79; 8:45 am]

BILLING CODE 6560-01-M



federal register

Tuesday
October 2, 1979

Part III

**Department of the
Interior**

Fish and Wildlife Service

**Determination That *Harperocallis flava* Is
an Endangered Species**

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

Determination That *Harperocallis flava* Is an Endangered Species

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Final rule.

SUMMARY: The Service determines *Harperocallis flava* (Harper's beauty) to be an Endangered species. *Harperocallis flava* is known to occur in three locations in the Apalachicola National Forest in Florida. The Forest Service is actively managing two of these locations for perpetuation of this monotypic genus of lily. There is estimated to be less than 100 individuals of this species, which places it in a very vulnerable position. Changes in current land management, accidental loss, vandalism, and/or overcollecting could easily lead to the extinction of this species.

A determination of *Harperocallis flava* to be an Endangered species would implement the protection provided by the Endangered Species Act of 1973 as amended.

DATE: This rulemaking becomes effective on November 1, 1979.

FOR FURTHER INFORMATION CONTACT: Mr. Harold J. O'Connor, Acting Associate Director—Federal Assistance, Fish and Wildlife Service, U.S. Department of the Interior, Washington, D.C. 20240, 202/343-4646.

SUPPLEMENTARY INFORMATION:**Background**

The Secretary of the Smithsonian Institution, in response to Section 12 of the Endangered Species Act, presented his report on plant species to Congress on January 9, 1975. This report designated as House Document No. 94-51, contained lists of over 3,100 U.S. vascular plant taxa considered to be endangered, threatened, or extinct. On July 1, 1975, the Director published a notice in the *Federal Register* (40 FR 27823-27924) of his acceptance of the report of the Smithsonian Institution as a petition to list these species under Section 4(c)(2) of the Act, and of his intention thereby to review the status of the plant taxa named within as well as any habitat which might be determined to be critical.

On June 16, 1976, the Service published a proposed rulemaking in the *Federal Register* (41 FR 24523-24572) to determine approximately 1,700 vascular

plant species to be Endangered species pursuant to Section 4 of the Act. This list of 1,700 plant taxa was assembled on the basis of comments and data received by the Smithsonian Institution and the Service in response to House Document No. 94-51 and the above mentioned *Federal Register* publication.

Harperocallis flava was included in both the July 1, 1975, notice of review and the June 16, 1976, proposal. A public hearing on the June 16, 1976, proposal was held on August 4, 1976, in Washington, D.C. In the June 24, 1977, *Federal Register*, the Service published a final rulemaking (42 FR 32373-32381, to be codified at 50 CFR Part 17) detailing the regulations to protect Endangered and Threatened plant species. The rules established prohibitions and a permit procedure to grant exemptions to the prohibitions under certain circumstances. The Department has determined that this is not a significant rule and does not require the preparation of a regulatory analysis under Executive Order 12044 and CFR 14.

Summary of Comments and Recommendations

Section 4(b)(1)(C) of the Act requires that a summary of all comments and recommendations received be published in the *Federal Register* prior to adding any species to the List of Endangered and Threatened Wildlife and Plants.

Hundreds of comments on the general proposal of June 16, 1976, were received from individuals, conservation organizations, botanical groups, and business and professional organizations. Few of these comments were specific in nature in that they did not address individual plant species. Most comments addressed the program or the concept of Endangered and Threatened plants and their protection and regulation. These comments are summarized in the April 26, 1978, *Federal Register* publication which also determined 13 plant species to be Endangered or Threatened species (43 FR 17909-17916). The Governor of Florida was notified of the proposed action but submitted no comments on the action.

Four comments were received concerning *Harperocallis flava*. An industrial forest corporation commented that they concurred with Endangered status for this species. One comment from a professional botanist noted the species' limited distribution and conjectured on the possibility of its extinction. One comment from an Army Corps of Engineers resource manager noted the species' type locality, its rarity, and possible management techniques. A request from the Forest

Service for a consultation concerning management of the species in the Apalachicola National Forest was also received.

Conclusion

After a thorough review and consideration of all the information available, the Director has determined that *Harperocallis flava* McDaniel (Harper's beauty) is in danger of becoming extinct throughout all or a significant portion of its range due to one or more of the factors described in Section 4(a) of the Act.

These factors and their application to *Harperocallis flava* are as follows:

(1) *The present or threatened destruction, modification, or curtailment of its habitat or range.* Since it was described in 1968, three populations of this monotypic genus have been found. All three occur within a 32 kilometer stretch along SR-65 in Franklin and Liberty Counties, Florida. Two of these locations are within 0.5 kilometer of each other in Franklin County, while the third was reported about 32 kilometers north in Liberty County. Recent attempts to relocate this Liberty County population have not been successful. The total number of individuals is not known but has been estimated to be less than 100 plants.

The two Franklin County populations are located so close together they could easily be considered as one population but for the purposes of this rulemaking will be treated as two. Both are located on the Apalachicola National Forest within the area which is managed as the *Harperocallis* Botanical Area. The U.S. Forest Service currently manages this area for the perpetuation of *Harperocallis flava*. Any other uses of this area in the future, especially drainage to allow timber production or mechanical site preparation would threaten the continued existence of this species. The Liberty County location also occurs with the Apalachicola National Forest. If future searches verify an extant population at this site, it should then also be included in the botanical area.

Any drainage in the surrounding area which would effect the water level where these plants are found would threaten the continued existence of this species. The Forest Service includes this precaution in their management suggestions for the Botanical Area.

Both populations occur immediately adjacent to the road and thus are more vulnerable to accidental loss.

(2) *Overutilization for commercial, sporting, scientific, or educational purposes.* Many individuals and societies collect and and cultivate lilies.

Harperocallis flava is a monotypic genus of lily with a very restricted distribution and would be of considerable interest of lily enthusiasts. Since *Harperocallis flava* only occurs in three small populations all within Apalachicola National Forest and since there is estimated to be fewer than 100 individuals of the species known, any collecting or vandalism could greatly impact this species.

(3) *Disease or predation* (including grazing). Not applicable to this species.

(4) *The inadequacy of existing regulatory mechanisms*. Although the species has been included by the Florida Committee on Rare and Endangered Plants and Animals as an endangered species it is not currently protected by any Florida State legislation. Forest Service regulations prohibit removing, destroying, or damaging any plant that is classified as a threatened, endangered, rare or unique species (42 FR 2956-2962).

(5) *Other natural or manmade factors affecting its continued existence*. Since this species occurs in very open wet areas, natural succession of the community in which it occurs could eliminate the proper conditions for its survival. Periodic controlled burning to maintain a relatively open aspect in the shrub and herb layers of the community would probably be beneficial to *Harperocallis flava*. The Forest Service is carrying out prescribed burns at the site.

The extremely limited range and small population sizes both increase the possibility of loss of all or a significant portion of the individuals as a result of any accidental occurrence or natural catastrophe.

Effect of the Rulemaking

Section 7(a) of the Act as amended in 1978 provides:

The Secretary shall review other programs administered by him and utilize such programs in furtherance of the purposes of this Act. All other Federal agencies shall, in consultation with and with the assistance of the Secretary, utilize their authorities in furtherance of the purposes of this Act by carrying out programs for the conservation of endangered species and threatened species listed pursuant to Section 4 of this Act. Each Federal agency shall, in consultation with and with the assistance of the Secretary, insure that any action authorized, funded, or carried out by such agency (hereinafter in this section referred to as an "agency action") does not jeopardize the continued existence of any endangered species or threatened species or result in the destruction or adverse modification of habitat of such species which is determined by the Secretary, after consultation as appropriate with the affected States, to be critical, unless such agency has been granted an exemption for such action by the Committee pursuant to subsection (h) of

Section 7 of the Endangered Species Act Amendments of 1978.

Provisions for Interagency Cooperation are published in 50 CFR Part 402. These regulations are intended to assist Federal agencies in complying with Section 7(a) of the Act. This rulemaking requires Federal agencies to satisfy these statutory and regulatory obligations with respect to this species.

Endangered Species regulations already published in Title 50 of the Code of Federal Regulations set forth a series of general prohibitions and exceptions which apply to all Endangered Species. The regulations referred to above, which pertain to plant species, are found at § 17.61 and are summarized below.

All provisions of section 9(a)(2) of the Act, as implemented by § 17.61 (42 FR 32373-32381), would apply. These prohibitions, in part, make it illegal for any person subject to the jurisdictions of the United States to import or export, or to deliver, receive, carry, transport or ship in interstate or foreign commerce in the course of a commercial activity, or to sell or offer for sale in interstate or foreign commerce this plant. Certain exceptions would apply to agents of the Service and State conservation agencies.

Regulations published in Federal Register of June 24, 1977 (42 FR 32373-32381), to be codified in 50 CFR Part 17, provide for the issuance of permits under certain circumstances to carry out otherwise prohibited activities involving endangered plants.

Effect Internationally

In addition to the protection provided by the Act, the Service will review the status of this species to determine whether it should be proposed to the Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora for placement upon the appropriate Appendices to that Convention and whether it should be considered under other appropriate international agreements.

National Environmental Policy Act

An environmental assessment has been prepared and is on file in the

Service's Washington Office of Endangered Species. The assessment is the basis for a decision that this determination is not a major Federal action which would significantly affect the quality of the human environment within the meaning of Section 102(2)(C) of the National Environmental Policy Act of 1969.

Endangered Species Act Amendments of 1978

The Endangered Species Act Amendments of 1978 added the following provision to subsection 4(a)(1) of the Endangered Species Act of 1973:

At the time any such regulation [to determine a species to be an Endangered or Threatened species] is proposed, the Secretary shall by regulation, to the maximum extent prudent, specify any habitat of such species which is then considered to be critical habitat.

Harperocallis flava could be further threatened by taking or vandalism, activities not prohibited by the Endangered Species Act of 1973. Publication of critical habitat maps would make this species more vulnerable and therefore it would not be prudent to determine critical habitat.

Harperocallis flava was proposed on June 16, 1976, and since critical habitat is not being determined for this species, none of the other amended subsections are applicable. Accordingly, the Service is proceeding at this time with a final rulemaking to determine this species to be Endangered pursuant to the Endangered Species Act of 1973, as amended. This rule is issued under the authority contained in the Endangered Species Act of 1973 (16 U.S.C. 1531-1543; 87 Stat. 884).

The primary author of this rule is Ms. E. La Verne Smith, Office of Endangered Species, U.S. Fish and Wildlife Service, Washington, D.C. 20240, (703/235-1975).

Regulation Promulgation

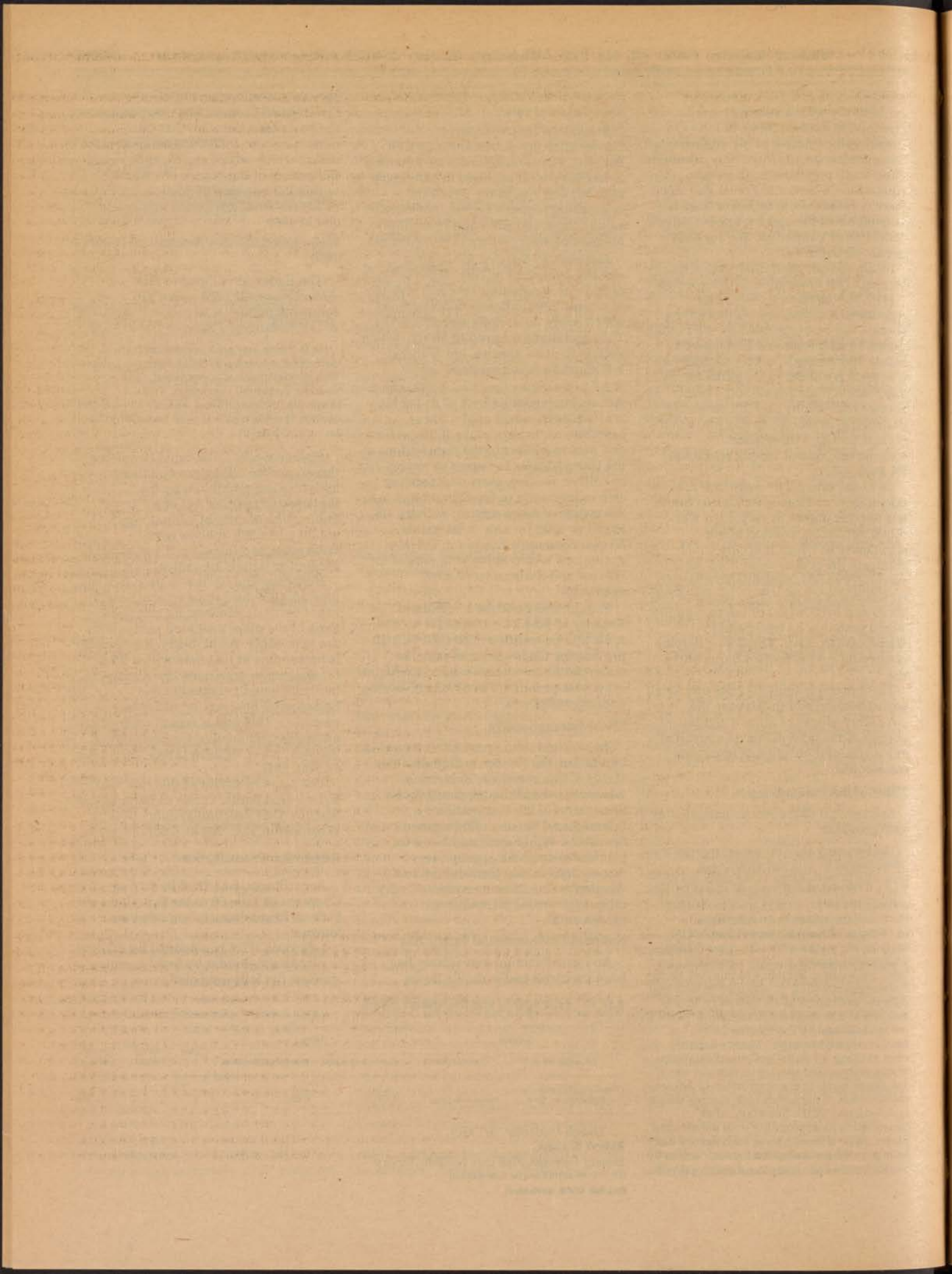
Accordingly, § 17.12 of Part 17 of Chapter I of Title 50 of the U.S. Code of Federal Regulations is amended as follows:

1. Section 17.12 is amended by adding, in alphabetical order by family, genus, species, the following plant:

§ 17.12 Endangered and threatened plants.

Species		Range		Status	When listed	Special rules
Scientific name	Common name	Known distribution	Portion endangered			
Liliaceae—Lily family:						
<i>Harperocallis flava</i>	Harper's beauty	USA(FL)	Entire	E		NA

Dated: September 17, 1979.
 Robert S. Cook,
 Deputy Director, Fish and Wildlife Service.
 [FR Doc. 79-30413 Filed 10-1-79; 8:45 am]



federal register

Tuesday
October 2, 1979

Part IV

Department of Labor

Employment and Training Administration

Comprehensive Employment and Training
Act Regulations for Programs

DEPARTMENT OF LABOR**Employment and Training Administration****20 CFR Parts 675 and 680****Comprehensive Employment and Training Act; Regulations for Programs Under Parts A and C of Title IV of the Act****AGENCY:** Department of Labor.**ACTION:** Final rules.

SUMMARY: This document contains final rules for youth programs under Title IV, Parts A and C of the Comprehensive Employment and Training Act as reauthorized by the CETA Amendments of 1978. The purpose of this document is to implement these programs. The Youth Employment and Demonstration Projects Act (YEDPA) of 1977, Pub. L. 95-93 became effective on August 5, 1977. It amended the Comprehensive Employment and Training Act by adding several new programs for youth. The purpose of these new programs is to employ and increase the future employability of young persons, to help coordinate and improve existing career development, employment and training programs, and to test different approaches in solving the employment problems of youth.

Title IV, Part A of CETA as reauthorized maintains the authority for the new youth programs authorized by YEDPA; they are: The Youth Incentive Entitlement Pilot Project (YIEPP), designed to test the effect of a guaranteed year round structured work experience to encourage school completion; the Youth Community Conservation and Improvement Projects (YCCIP), designed to provide jobs and employment experience for youth in community betterment projects; and the Youth Employment and Training Programs (YETP), designed to make available to youth a broad range of employment and training services designed locally and adapted to local needs. Part C of Title IV, under the reauthorization, authorizes the Summer Youth Employment Program (SYEP), designed to provide eligible youth with useful work opportunities and supportive services during the summer months and to assist youth in developing their maximum occupational potential. The following Part 680, Subparts A, B and D sets forth the Federal regulations governing three of the Youth Programs, YETP, YCCIP, and YIEPP. Part 680, Subpart C sets forth the Federal regulations governing SYEP. The

regulations in this document do not apply to Native American and Migrant YETP and YCCIP and SYEP programs; regulations for these programs will be published separately. These regulations also do not apply to the Secretary's YETP, YCCIP, and SYEP discretionary funds.

EFFECTIVE DATE: October 1, 1979.**FOR FURTHER INFORMATION CONTACT:**

Mr. Robert Taggart, Administrator, Office of Youth Programs, Employment and Training Administration, U.S. Department of Labor, 601 D Street, NW., Washington, D.C. 20213, Telephone (202) 376-2646.

SUPPLEMENTARY INFORMATION: On March 9, 1979, the Department of Labor published in the *Federal Register* at 44 FR 13188 proposed regulations concerning youth programs under Title IV, Part A of the Comprehensive Employment and Training Act as reauthorized by the CETA Amendments of 1978 (Pub. L. 95-524). The Department also published in the *Federal Register* at 44 FR 12344 final rules to implement the Summer Youth Employment Program (SYEP) of 1979, Title IV, Part C of CETA to allow prime sponsors to begin planning the 1979 summer program.

Although the SYEP regulations were published as final rules, the Department, in keeping with the spirit of 29 CFR 2.7 requested comments on these final rules. A review and comment period was provided for public reaction to both the SYEP rules and the proposed regulations for the other youth programs. Numerous responses were received during the comment period, most of which were directed to the Youth Employment and Training Programs (YETP) and the Youth Community Conservation and Improvement Projects (YCCIP). Few comments were received for the SYEP and YIEPP rules.

Each comment was carefully reviewed with respect to the merits of the suggestions on their own and in relation to other comments received on the same or similar subjects. Several comments were rejected because they were inconsistent with either the provisions or the intent of the Act. The changes made in these regulations reflect continued efforts to improve the quality of the CETA youth programs. A short explanatory statement is provided below to address the most significant issues raised by commenters:

Income Determination

Several comments were received requesting clarification of the formula to be used in annualizing the income of applicants to determine eligibility for YETP programs. The proposed YETP

regulations were silent on this issue and neither made reference to a 3-month or 6-month income basis as provided under other CETA programs. In response to these comments, §§ 675.5-8(a)(1)(iii) and 680.8(a)(3), which concern eligibility for participation in YETP, have been revised to require that for YETP, family income shall be annualized on a 6-month basis in determining eligibility.

Eligibility Determination

A number of comments were received regarding the inconsistency between the requirement in the proposed rulemaking that eligibility be determined at the time of enrollment and the requirement in the final CETA regulations for Titles I, II, VI, and VII at § 675.5-1(d) that eligibility be determined at the time of application. This inconsistency was resolved by revising the appropriate sections of the regulations for YETP and YCCIP and the income eligibility regulations for SYEP to require that eligibility be determined at the time of application. The age requirements for summer program eligibility, however, will still be determined at the time of enrollment to ensure that only youth between the ages of 14-21, inclusive, are served. Several commenters requested that the YETP eligibility criteria be revised to include youth who are economically disadvantaged, particularly youth facing significant barriers to employment, such as handicapped youth. This revision has been made to insure greater consistency between the eligibility criteria for the CETA Title II B programs and the YETP program and to provide for the more equitable treatment of these youth.

Income Disregard

The proposed YETP and YCCIP regulations at sections 680.11 and 680.115 provide for an absolute disregard of wages and allowances received by any youth under those programs in determining the eligibility of the youth's family for benefits under any Federal or federally assisted program.

A number of comments were received asking for clarification of this language and how this provision applies when a youth is a family of one. In response to these comments, the regulations have been revised to clarify that wages and allowances shall be disregarded in determining the eligibility of either the youth or the youth's family for benefits received under any Federal or federally assisted program.

Many commenters further requested that the SYEP regulations contain an income disregard provision similar to that provided under YETP and YCCIP. Additionally, other commenters requested that the regulations allow

youth, who participate in training activities under SYEP, to receive basic allowances, rather than the more restricted incentive allowance of \$30 per week, when their families receive public assistance.

The Department recognizes the inconsistencies that exist among the provisions governing the youth programs authorized by Title IV and the difficulties prime sponsors have when administering both the income disregard and the method of payment provisions differently for each program. However, it should be recognized that the income disregard requirement is a statutory provision under section 446 of CETA applicable only to YIEPP, YETP, and YCCIP. The regulations merely implement the statutory provisions.

LEA 22 Percent Carry-In Funds

The Act and the regulations require that 22 percent of a prime sponsor's YETP funds be used for in-school programs under Local Educational Agencies agreements. Comments were received inquiring whether the 22 percent should be applied to funds carried into a new fiscal year. The Department agrees with the commenters that the regulation was unclear. The final regulations have been clarified to state that prime sponsors shall apply the 22 percent requirement only to their annual allocation under YETP, and not to the carry-in funds.

Youth Council

The proposed regulations at § 680.4 state that the youth council shall monitor and evaluate YETP and other CETA programs in the prime sponsor's area for the purpose of improving the utilization and coordination of the delivery of services. Comments were received asking that this provision be reevaluated since the general CETA regulations now require prime sponsors to establish an independent monitoring unit which will have the responsibility to conduct in-depth monitoring of all programs. The Department has amended the regulations to provide that monitoring units shall make their findings available to the youth councils. Youth councils may then evaluate these findings for the purpose of improving the utilization and coordination of the delivery of services and make recommendations to the planning council consistent with their determinations. The regulations have been revised accordingly.

These regulations meet the criteria for significant regulations in Executive Order 12044 and the Department of Labor's guidelines thereunder (44 FR 5570, January 28, 1979) and have had a

comment period of 30 days in order to allow the final regulations to be published as close as possible to the April 1 statutory deadline. For the same reason, the regulations are being made effective Oct. 1, 1979. Accordingly, Title 20 of the Code of Federal Regulations, Chapter V is amended by:

PART 675—INTRODUCTION OF THE REGULATIONS UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

1. Adding to the Table of Contents, at § 675.3, a new Table of Contents for Part 680, Subparts A, B, C, and D.

§ 675.3 Table of Contents for Regulations under CETA.

PART 680—YOUTH PROGRAMS OPERATED BY PRIME SPONSORS UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

Subpart A—Youth Employment and Training Programs

Sec.	
680.1	Purpose.
680.2	Eligibility for funds under YETP.
680.3	Allocation of funds.
680.4	Program planning, planning and youth councils.
680.5	Description of the YETP annual plan subpart.
680.6	Activities and services.
680.7	Local educational agency agreements.
680.8	Eligibility for participation.
680.9	Eligibility for participation (extraordinary).
680.10	Participant compensation, benefits and working conditions.
680.11	Earnings disregard.
680.12	Maintenance of effort.
680.13	Substitution for Title II programs.
680.14	Academic credit.
680.15	Reallocation procedures.
680.16	Modifications.
680.17	Reporting requirements.
680.18	Governor's Statewide Youth Services Program.

Subpart B—Youth Community Conservation and Improvement Projects

680.100	Purpose.
680.101	Eligibility for funds under YCCIP.
680.102	Allocation of funds.
680.103	Program planning, planning and youth councils.
680.104	Description of the YCCIP annual plan subpart.
680.105	Project planning process.
680.106	Project application content.
680.107	Project application submission.
680.108	Project review.
680.109	Project prioritization.
680.110	Project activities.
680.111	Agreements with project applicants.
680.112	Program agent responsibility.
680.113	Limitation on use of funds.
680.114	Supervisory personnel.
680.115	Eligibility for participation.
680.116	Participant compensation, benefits and working conditions.

680.117	Earnings disregard.
680.118	Maintenance of effort.
680.119	Substitution for Title II programs.
680.120	Academic credit.
680.121	Reallocation procedures.
680.122	Modifications.
680.123	Reporting requirements.
680.124	Review by the RA, redistribution.

Subpart C—Summer Youth Employment Programs

680.200	Purpose.
680.201	Eligibility for SYEP funds.
680.202	Allocation of funds.
680.203	Unexpended previous year funds.
680.204	Startup of program.
680.205	Program planning, planning and youth councils.
680.206	Basic program design provisions.
680.207	Description of the SYEP annual plan subpart.
680.208	Activities and services.
680.209	Program management provisions.
680.210	Worksite standards.
680.211	Eligibility for participation.
680.212	Participants compensation, benefits and working conditions.
680.213	Reallocation procedures.
680.214	Modifications.
680.215	Reporting requirements.
680.216	Termination date for the summer program.

Subpart D—Youth Incentive Entitlement Pilot Projects

680.300	Scope and purpose of subpart.
680.301	Regulations governing entitlement, definitions.
680.302	Funding of entitlement projects.
680.303	Eligibility for funds.
680.304	[Reserved]
680.305	[Reserved]
680.306	[Reserved]
680.307	[Reserved]
680.308	[Reserved]
680.309	[Reserved]
680.310	[Reserved]
680.311	[Reserved]
680.312	[Reserved]
680.313	[Reserved]
680.314	Assurances and certifications.
680.315	Project responsibilities and requirements.
680.316	Eligibility of participants.
680.317	Worksites.
680.318	Allowable activities.
680.319	Participant benefits.
680.320	Academic credit.
680.321	Disregarding earnings.
680.322	Maintenance of effort.
680.323	Limitations on use of funds.

§ 675.5-8 [Amended]

2. Revising § 675.5-8 (a)(1)(iii) to read as follows:

(iii) (A) Be a member of family with a total family income, annualized on a 6-month basis, at or below 85 percent of the lower living standard income level; or

(B) Be economically disadvantaged.

3. Amending 675.5-8(b)(2) by inserting after the word "criteria" the words "nor

need they be economically disadvantaged".

4. Amending 675.5-8(b)(3) by inserting after the word "income" the words "or economically disadvantaged".

5. Revising Subpart C and adding Subparts A, B and D of Part 680 to read as follows:

PART 680—YOUTH PROGRAMS OPERATED BY PRIME SPONSORS UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

Subpart A—Youth Employment and Training Programs

Sec.

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- 680.2 Eligibility for funds under YETP.
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- 680.204 Startup of Program.
- 680.205 Program planning, planning and youth councils.
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- 680.211 Eligibility for participation.
- 680.212 Participants compensation, benefits and working conditions.
- 680.213 Reallocation procedures.
- 680.214 Modifications.
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Subpart D—Youth Incentive Entitlement Pilot Projects

- 680.300 Scope and purpose of subpart.
- 680.301 Regulations governing entitlement, definitions.
- 680.302 Funding of entitlement projects.
- 680.303 Eligibility for funds.
- 680.304 [Reserved]
- 680.305 [Reserved]
- 680.306 [Reserved]
- 680.307 [Reserved]
- 680.308 [Reserved]
- 680.309 [Reserved]
- 680.310 [Reserved]
- 680.311 [Reserved]
- 680.312 [Reserved]
- 680.313 [Reserved]
- 680.314 Assurances and certifications.
- 680.315 Project responsibilities and requirements.
- 680.316 Eligibility of participants.
- 680.317 Worksites.
- 680.318 Allowable activities.
- 680.319 Participant benefits.
- 680.320 Academic credit.
- 680.321 Disregarding earnings.
- 680.322 Maintenance of effort.
- 680.323 Limitations on use of funds.

Authority: Sec. 126 of the Comprehensive Employment and Training Act (29 U.S.C. 801 et seq.), unless otherwise noted.

Subpart A—Youth Employment and Training Programs

§ 680.1 Purpose.

(a) This subpart contains the regulations for the Youth Employment and Training Programs (YETP) under Title IV, Part A, Subparts 3 and 4 of the Act. The introductory and general provisions at *Parts 675 and 676* of Title 20 also apply to YETP programs except that to the extent the regulations set forth in this subpart conflict with other regulations promulgated under the Act, the requirements contained in this subpart shall prevail (sec. 447).

(b) It is the purpose of this program to enhance the job prospects and career opportunities of young persons, especially economically disadvantaged youth, to enable them to secure

unsubsidized employment in the public and private sectors of the economy. In addition, this program explores methods of dealing with the structural unemployment problems of youth and the immediate difficulties of youth in need of and unable to find jobs (sec. 431).

§ 680.2 Eligibility for funds under YETP.

Prime sponsors designated under § 676.5 are eligible to receive funds under YETP (sec. 434).

§ 680.3 Allocation of funds.

Allocation of funds under YETP shall be in accordance with section 433 of the Act.

§ 680.4 Program planning, planning and youth councils.

(a) *Planning:* Each prime sponsor shall utilize the planning process and planning council as described in §§ 676.6 and 676.7 of this title, and the youth council described in paragraph (b) of this section (sec. 436(b)). In developing the annual plan subpart of YETP, the prime sponsor shall:

(1) Coordinate the YETP subpart with programs and activities described in the annual plan subpart for Title II, but opportunities for youth under Title II shall not be reduced because of the availability of YETP funds (sec. 436(a));

(2) Coordinate the programs and activities funded under the other titles of CETA, including Job Corps; employment and educational services provided by local educational agencies and post-secondary institutions; activities conducted under the Career Education Incentive Act; services offered by public employment service agencies, public assistance agencies, and courts with jurisdiction over youthful offenders; youth programs funded through other sources such as community-based organizations; and employment and educational activities of business, labor, apprenticeship programs, and nonprofit institutions in the community (sec. 436(a)).

(3) Afford an opportunity to community based organizations of demonstrated effectiveness in providing employment and training activities for youth to participate in the development of the YETP subpart as required by paragraph (c) of this section; and

(4) Afford an opportunity for appropriate labor organizations to comment on the YETP subpart consistent with the provisions of § 676.12 of this title.

(b) *Youth Council.* Each prime sponsor shall establish a youth council (sec. 436(b)).

(1) In consultation with the planning council, the prime sponsor shall make appointments to a youth council which include individuals who are representative of the local educational agency, local vocational advisory council, post-secondary education institutions, business, unions, apprenticeship community, public employment service agencies, local government and nongovernment agencies which are involved in serving youth, the local community, and the prime sponsor. In addition, youth council members shall include not less than two youth who are participants in, or eligible for YETP (sec. 436(b)).

(2) The youth council may be either an entirely separate council or a subcommittee or subcouncil to the planning council, or the prime sponsor may use existing youth councils created with respect to other programs under this Act if these councils meet the requirements set forth in this section. In all cases, the youth council shall report to the planning council (sec. 436(b)).

(3) The youth council shall make recommendations to the planning council for setting basic goals, policies and procedures for the YETP program. The youth council shall review the findings of the prime sponsors monitoring efforts for YETP and other CETA youth programs and make recommendations to the planning council for the purpose of improving the utilization and coordination of the delivery of services under such programs (sec. 436(b)).

(4) The youth council shall review and make recommendations to the planning council with respect to the proposed agreements with local educational agencies under YETP (sec. 436(c)).

(c) *Community-based organizations (CBO's)*. Each prime sponsor shall involve CBO's in the planning process as follows:

(1) Forty-five (45) days prior to submission of the proposed YETP subpart to the RA either the complete subpart or a summary of the proposed subpart shall be submitted to such CBO's. Such organizations shall have 30 days for review and comment on the proposed YETP subpart. If a summary is submitted, it shall include at a minimum:

- (i) Description of activities to be funded;
- (ii) Proposed service deliverers and the services to be provided by each; and
- (iii) A copy of the Youth Program Planning Summary and Youth Budget Information Summary.

(2) Any substantive comments received must be considered prior to the submission of the YETP subpart to the RA and written responses will be made

to comments from such CBO's regarding selection of service deliverers and these comments and responses will be included when the YETP subpart is transmitted to the RA.

(d) *Selection of service deliverers*. (1) In addition to the provisions of § 676.23 of this title, the following provisions apply to the selection of service deliverers for YETP. The provisions, however, do not apply when the prime sponsor chooses to deliver YETP activities, itself, and to the programs funded with 22 percent of the YETP funds covered by local educational agency (LEA) agreements required in § 680.7.

(i) Published criteria that will be used to evaluate applications; and

(ii) Written notification to each applicant of acceptance or non-acceptance with an explanation of the reasons for disapproval of funding.

(2) A prime sponsor may directly perform classroom training, on-the-job training or work experience as described in § 676.25 of this title, only if, after consultation with CBO's, the prime sponsor determines that direct operation of the program will promote the purposes of this subpart (sec. 432(b)). The prime sponsor shall maintain documentation on the administrative and programmatic benefits of such direct operation.

§ 680.5 Description of the YETP annual plan subpart.

(a) Each prime sponsor shall submit a YETP subpart by a date established by the RA which when approved, shall become part of the annual plan.

(b) The RA shall review and approve or disapprove the YETP subpart using the plan review procedures in § 676.14 of this title.

(c) *Narrative description*. The YETP subpart narrative shall contain:

(1) *Objectives and needs for assistance*.—(i) *Program purpose*. State the purpose, goals, and objectives of the YETP program in the overall strategy for serving unemployed youth in the prime sponsor's area.

(ii) *Analysis of need*. Identify the target groups within the eligible population that will receive services under the program and indicate the planned level of services to be provided to each group.

(iii) *Group waivers*. Describe, in accordance with § 676.30(g), the evidence upon which any request for a waiver of the limitation on participation in work experience is based for any group(s) of youth being served under YETP.

(2) *Results and benefits*. Describe the benefits that will accrue to YETP participants and include:

(i) The quantifiable performance and placement goals for each program activity.

(ii) The quantifiable performance and placement goals for each target group identified in the analysis of need.

(iii) Any non-quantifiable benefits expected from participation in the YETP program.

(iv) Any academic credit received by YETP participants, the level of credit and the activities for which credit will be received, and the agency awarding such credit.

(3) *Approach*. (i) *Program activities and services*. If not elsewhere in the Comprehensive Employment and Training Plan, describe the criteria to be used to select youth that are most in need, participant recruitment and intake process, and eligibility verification of YETP participants.

(ii) *Program linkages*. If not elsewhere described in the Comprehensive Employment and Training Plan, describe the program linkages established under YETP.

(4) *Management and administration*. (i) Describe any significant differences in the administration, operation, and management (including organizational structure) of the YETP program from the information provided elsewhere in the Comprehensive Employment and Training Plan.

(ii) Attach a copy of the Program Planning Summary (PPS) and Budget Information Summary (BIS) on the YETP program.

(iii) Attach a summary of subgrantees and contractors covering financial arrangements under YETP.

(5) *Assurances and certifications*. The YETP assurances and certifications and detailed instructions for completing the requirements of the YETP subpart narrative are contained in the *Forms Preparation Handbook*.

§ 680.6 Activities and services.

(a) Programs may include any type of employment and training activity specified in § 676.25 of this title, except public service employment.

(1) Work experience activities may include a wide range of community betterment activities such as rehabilitation of public properties; assistance of weatherization of homes occupied by low-income families; demonstrations of energy-conserving measures, including solar energy techniques (especially those utilizing materials and supplies available without cost), park establishment and upgrading, neighborhood revitalization,

conservation and improvements, removal of architectural barriers to access, by handicapped individuals, to public facilities, and related activities (sec. 432(a)).

(2) Productive employment and work experience opportunities may be funded in such fields as education, health care, neighborhood transportation services, crime prevention and control, environmental quality control (including integrated pest management activities), preservation of historic sites, and maintenance of visitor facilities (sec. 432(a)).

(3) A written job description shall be developed and maintained for all work experience and on-the-job training positions funded under this subpart to provide a basis for determining their comparability to existing jobs of other individuals similarly employed.

(b) *In-School programs.* The in-school programs shall be designed to provide for either or both of the following two classifications of services (Sec. 423(a)):

(1) *Transition services.* (i) These transition services shall be designed to prepare and assist youth to move from school to unsubsidized jobs in the labor market.

(ii) These services may include:

(A) Outreach, assessment, and orientation;

(B) Counseling, including occupational information, apprenticeship information, and career counseling;

(C) Activities promoting education to work transition;

(D) Provision of labor market information;

(E) Services to youth to help them obtain and retain employment;

(F) Literacy training and bilingual training;

(G) Attainment of certificates of high school equivalency;

(H) Job sampling, including vocational exploration in the public and private sector;

(I) Institutional skills training;

(J) Transportation assistance;

(K) Child care and other necessary supportive services;

(L) Job restructuring to make jobs more responsive to the objectives of this subpart, including assistance to employers in developing job ladders or new job opportunities for youth, in order to improve work relationships between employers and youth;

(M) Provision of information regarding employment and training related opportunities;

(N) Job development, direct placement, and placement assistance to secure unsubsidized employment opportunities for youth to the maximum

extent feasible and referral to employability development programs;

(O) Assistance in overcoming sex-stereotyping in job development, and placement; and

(P) Outreach and other services to increase the labor force participation rate among minorities and women.

(2) *Career employment experience.* This activity is a combination of both well supervised employment (work experience or on-the-job training) and certain transition services including, at a minimum, career information, counseling, including career counseling, and occupational information. Where work experience or on-the-job training is supported with funds serving in-school youth under agreements with local educational agencies, the ancillary transition services must also include placement services. Each prime sponsor shall assure that in-school youths participating in career employment experience need such participation in order to continue their education (sec. 436).

(c) *Special component.* A prime sponsor may design a special component using up to 10 percent of its YETP funds for programs to serve a mixture of youth from families above and below the income level specified in § 680.8(a)(3), and who are economically disadvantaged and not economically disadvantaged. The program shall test whether or to what extent income eligible youth benefit from participating in programs designed to serve youth from all economic backgrounds (sec. 435). This special component shall:

(1) Have the follow a structured experimental design;

(2) Establish and use comparison groups;

(3) Provide for followup on participants; and

(4) Provide in an Annual Narrative Report a followup on the experimental outcomes.

§ 680.7 Local Educational Agency agreements.

(a) Prime sponsors shall use at least 22 percent of their annual allocation of funds under this subpart (not including any amounts carried-in from the previous fiscal year) to serve in-school youth in programs designed to enhance their career opportunities and job prospects (sec. 433(d)(1)) pursuant to written agreements between the prime sponsors and local educational agencies (LEA's).

(b) Agreements may be between the prime sponsor and one or more local educational agencies or a combination of LEA's represented by one LEA.

(c) Each agreement may be either a financial or nonfinancial agreement whichever is determined most appropriate by the prime sponsor and the LEA(s), and shall:

(1) Provide a description of the activities and services to be provided to eligible participants;

(2) Detail the responsibility of each party to the agreement for providing the activities and services which have been selected;

(3) Contain provisions to assure that services provided and/or funds received pursuant to the agreement will not supplant existing services and/or State and local funds expended for the same purpose; and

(4) Provide an assurance that the agreement has been reviewed by the youth council;

(d) *Additional provisions.* Additional provisions are required in those agreements which specifically provide for career employment experience opportunities. These include:

(1) Assurances that participating youth will be provided constructive work experience, which will improve their ability to make career decisions and which will provide them with basic work skills needed for regular employment or self-employment;

(2) Assurances that career counseling, including occupational information and placement services will be made available to participating youth and that funds provided under the agreement will be available to, and will be utilized by, the local educational agency or agencies to the extent necessary to pay the cost of school-based counselors to carry out the provisions of this in-school program;

(3) Assurances that jobs provided under this program will be certified by the participating educational agency or institution as relevant to the educational and career goals of the participating youth.

(4) Assurances that the prime sponsor will advise participating youth of the availability of other employment and training resources in the local community to assist such youth in obtaining employment or self-employment; and

(5) An assurance that career employment experience opportunities provided will be certified by a school-based counselor as being relevant to the career and educational program for the youth being provided those opportunities.

(e) In order to carry out the purposes of the LEA agreement, LEA's and prime sponsors, where appropriate, are encouraged to enter into subagreements, grants or contracts with post-secondary schools, State accredited profit and

nonprofit educational institutions, public employment service agencies, and CBO's which have demonstrated effectiveness, in serving youth, particularly those who are economically disadvantaged.

(f) An LEA agreement may be a new agreement or a certification that the existing agreement remains the same or that it is revised as described in attachments to the certification. The certification and/or revisions shall be included as part of the YETP annual plan subpart. If an agreement is not reached within 60 days after the initial submission of the YETP subpart to the RA, the RA shall initiate the reallocation process as described in § 680.15.

§ 680.8 Eligibility for participation.

(a) Each person shall be at the time of application, except as provided in § 680.9 (b) and (c) (sec. 435):

(1) Unemployed or underemployed, or an in-school youth (excluding persons aged 14 and 15);

(2) 16 through 21 years of age inclusive; and

(3) (i) A member of a family with a total family income, annualized on a 6-month basis, at or below 85 percent of the lower living standard income level; or

(ii) Economically disadvantaged.

(b) Programs funded under YETP shall give preference to economically disadvantaged youth within the eligible population. Appropriate efforts shall be made to give service to those youth who have severe handicaps in obtaining employment, including but not limited to those who lack credentials (such as a high school diploma), those who require substantial basic and remedial skill development, those who are women and minorities, those who are veterans of military services, those who are offenders, those who are physically or mentally handicapped, those with dependents, or those who have otherwise demonstrated special needs as determined by the Secretary (sec. 444(a)).

(c) A youth may not be enrolled in full-time employment opportunities if:

(1) The individual has not attained the age with respect to which the requirement of compulsory education ceases to apply under the laws of the State in which such individual resides, except: (i) During periods when school is not in session, and (ii) where employment is undertaken in cooperation with school-related programs awarding academic credit for work experience; or (2) The individual has not attained a high school diploma or its equivalent and it is determined by the prime sponsor that the youth

dropped out of high school in order to participate in YETP (sec. 443(f)).

§ 680.9 Eligibility for participation (extraordinary).

(a) Individuals otherwise eligible under § 680.8 who are in-school youth and who are 14 or 15 years old may participate in programs under YETP when the subpart specifies a youth development strategy which includes career counseling for these youths (sec. 435).

(b) Youth need not meet the income criteria nor need they be economically disadvantaged if they participate in a special component, as described in § 680.6(c) (sec. 435).

(c) Youth, who do not meet the income or economically disadvantaged criteria, and who are not in a special component, may be offered services which are limited to:

(1) Counseling, including occupational information;

(2) Occupational, education, and training information including information on apprenticeship training;

(3) Placement services;

(4) Job referral information through coordinated intake systems; and/or

(5) Assistance in overcoming employment related sex-stereotyping in job development, placement, counseling, and guidance.

§ 680.10 Participant compensation, benefits and working conditions.

Prime sponsors shall provide participant benefits, wages and allowances as provided in § 676.26, and § 676.27 of this title, except:

(a) *Wages.* Participants receiving wages shall be paid no less than the highest of (sec. 442):

(1) The wage rate set forth in section 6 (a)(1) of the Fair Labor Standard Act. Fourteen and fifteen-year olds, however, may be paid the rate set forth in section 14(b) of the Fair Labor Standard Act; or

(2) The applicable State or local minimum wage, including exceptions for the wage rates of 14 and 15-year olds; or

(3) The prevailing wage for a job which is substantially the same as existing jobs of the same employer, except that, the employer may pay less than its prevailing wage, but not less than the minimum wage, if:

(i) The employer, the prime sponsor, and the appropriate collective bargaining agent, when a collective bargaining agreement is affected, agrees in writing to a lesser wage;

(ii) There is job restructuring. In order to accomplish job restructuring, the prime sponsor, employer, and the appropriate collective bargaining agent shall enter into an agreement concerning

the restructuring. If, after agreeing to the restructured job, the agent, employer, or prime sponsor disagrees over the wages to be paid for the restructured job, the parties shall resolve such dispute at the local level within 30 days. If, after 30 days, an agreement has not been reached, they shall either agree to negotiate in good faith with the RA to resolve the disagreement or select other jobs. If negotiations with the RA do not result in resolution within the 30 days, the RA shall set the wage rate; or

(iii) The employer creates new jobs. If disputes arise regarding whether the jobs are new to the employer, the prime sponsor, appropriate collective bargaining agent, and employer should attempt to resolve the issue within 30 days after the agent has been informed of those jobs. If no agreement can be reached within that time frame, they shall either agree to negotiate in good faith with the RA to resolve the disagreement, or select other jobs. If negotiations with the RA do not result in a resolution within 30 days, the RA shall make a determination as to whether or not the jobs are new to the employer; or

(4) The prevailing wage determined by the Secretary under the Davis-Bacon Act (See 29 CFR Parts 1, 3, 5, and 7) in the case of jobs in projects to which the provisions of the Davis-Bacon Act, or any Federal law containing labor standards in accordance with the Davis-Bacon Act, apply. However, in the case of such projects financed under YETP under \$5,000, the employer, prime sponsor, and appropriate collective bargaining agent may agree to pay youth participants not less than the applicable minimum wage and not more than the wage rate of the entering apprentice in the most nearly comparable apprenticeable trade, and to prescribe an appropriate ratio of journeymen to such participating youth to work on the project. If they cannot agree in 30 days, they may request a decision from the RA, or develop other jobs (sec. 442).

(b) Because most jobs will be short-term and/or part-time work assignments, and are designed to enhance the employability of individuals who are new entrants who have never worked, or individuals who are new entrants who have not been working in the competitive labor market, most jobs will be at entry level. Prime sponsors, therefore, are expected to pay wherever feasible the minimum rate required by this section, rather than a higher rate.

§ 680.11 Earnings disregard.

Wages and allowances received by any youth under YETP shall be disregarded in determining the eligibility of the youth or the youth's family for,

and the amount of, any benefits received based on need, under any Federal or federally assisted programs (sec. 446).

§ 680.12 Maintenance of effort.

(a) The maintenance of effort provisions of § 676.73(a) of this title apply to all activities funded under YETP (sec. 443).

(b) The maintenance of effort provisions for public service employment programs described in § 676.73 (b) and (c) of this title, shall apply to work experience activities under YETP.

§ 680.13 Substitution for Title II programs.

Programs funded under YETP shall be supplementary to but not replace programs and activities for youth available under Title II of the Act (sec. 431).

§ 680.14 Academic credit.

Prime sponsors shall make appropriate efforts to encourage educational agencies and post-secondary institutions to award academic credit for the competencies participants gain from the program (sec. 445).

§ 680.15 Reallocation procedures.

(a) Reallocation procedures under § 676.47 of this title shall apply except as in paragraph (b) of this section (sec. 444(b)).

(b) If all proposed LEA agreements or certifications to existing agreements are not signed by the prime sponsor and the LEA(s) within 60 days after the initial submission of the YETP subpart to the RA for review and approval, the RA shall initiate reallocation procedures for those funds which were required to be covered under LEA agreements *except*; the RA may extend the 60 day period for a reasonable period of time when the RA determines that an agreement could not be reached because of circumstances beyond the control of the prime sponsor and LEA, for example, work stoppages. If the RA has initiated reallocation procedures, the RA shall mediate the dispute during the 30 day comment period.

§ 680.16 Modifications.

(a) The procedures specified in § 676.16 of this title shall apply to modifying the YETP subpart.

(b)(1) When a collective bargaining agreement would be affected, the appropriate bargaining agent and the RA shall be notified in writing of all wage rate and job classification changes under the YETP program at least 15 calendar days prior to implementing such changes.

(2) If the bargaining agent disagrees with the proposed changes in wage rates or job classifications, the dispute shall be resolved and the resolution recorded in writing prior to implementing such changes.

§ 680.17 Reporting requirements.

The reporting requirements under § 676.44 of this title shall apply to YETP. In addition, each prime sponsor shall, at the end of each fiscal year and on a date established by the Secretary, submit an Annual Narrative Report. The report will include an assessment of the sponsor's performance and the accomplishments of the program.

§ 680.18 Governor's Statewide Youth Services Program.

(a) *Activities and services.* The Governor shall use the funds allocated under section 433 of the Act to provide statewide youth services such as the following:

(1) Expanded and experimental programs in apprenticeship arrangements, in conjunction with businesses, labor unions, State or Federal apprenticeship agencies;

(2) Special model employment and training programs and related services with particular emphasis on experimental job training in the private sector;

(3) Providing labor market and occupational information for prime sponsors and local educational agencies without reimbursement;

(4) Fostering cooperative efforts between State and local institutions, including (i) occupational and career guidance and counseling, as well as placement services for in-school and out-of-school youth; and (ii) coordination of statewide activities carried out under the Career Education Incentive Act to improve the quality of education and enhance career opportunities for students by relating education to their employment aspirations (sec. 433(c)).

(5) Funding employment and training programs as defined in § 680.6 for eligible youth who are under the supervision of the State.

(b) *Eligibility for participation.* Individuals participating in the Governor's statewide youth services program shall meet the eligibility criteria provided in § 680.8 or 680.9 (sec. 435).

(c) *Limitation of funds.* (1) The overall 20 percent limitation of funds used for administration as set out in § 676.40-2 of this title shall not apply to the Governor's youth services plan. (2) The requirement in § 676.42 for pooling of administrative costs shall not apply to the Governor's youth services plan. Such

costs however, may be pooled in accordance with the procedures set forth in § 676.42.

(d) *Governor's statewide youth services plan.* The Governor's youth services plan shall include the following information:

(1) *The Master Plan.* The Governor may utilize the Master Plan developed for the Balance of State program or the Master Plan developed for the Governor's Special Grant as described in § 677.33 of this title, in lieu of developing a separate Master Plan for the Governor's statewide youth services program;

(2) A Request for Approval Letter;

(3) Application for Federal Assistance (standard form 424);

(4) The narrative description which shall include the following:

(i) *Objectives and need for assistance.*

(A) A description of the purpose, goals, and objectives of the statewide youth services plan, including how the Governor's youth services plan, will enhance or expand the quality of youth employment and training services presently provided throughout the State.

(B) A description of the target groups that will be served by the Governor's youth services plan, including an explanation of why the specific groups were selected, and the groups of youth that will be served who are under the supervision of the State.

(ii) *Results and benefits.* As described in the YETP narrative requirements, provide a description of expected results and benefits that will accrue to the participants.

(iii) *Approach.*—(A) *Program activities and services.* Describe the activities and services to be provided under this plan and include:

(1) The service deliverers and the activities they will provide;

(2) The number of participants to be served by each activity;

(3) The duration of each activity; and

(4) If training is one of the activities, the skill(s) to be learned.

(B) *Program linkages.* Describe the program linkages, if not elsewhere described in the Comprehensive Employment and Training Plan for Special Grants to Governors.

(iv) *Management and administration.* (A) Provide the organizational chart and staffing pattern for the plan, if not included in the master plan.

(B) Describe the monitoring and evaluation process if different than that found elsewhere in the Comprehensive Employment and Training Plan for Special Grants to Governors.

(C) Attach a Program Planning Summary (PPS) and a Budget Information Summary (BIS).

(v) The assurances and certifications for the Governor's youth services plan and detailed instructions for completing the requirements of the plan are contained in the *Forms Preparation Handbook*.

(e) *Procedures for comment, modification and approval of Governor's youth services plan.* (1) In developing the Governor's youth services plan, the Governor shall establish a youth council as described in § 680.4(b) which shall report to the State Employment and Training Council. The responsibilities of this council shall be those described in § 680.4, except the references to local agencies shall mean representatives of State agencies who represent statewide concerns.

(2) In submitting the Governor's youth service plan, the procedures specified in § 676.12(a), (b) and (d) and § 677.33(a)(3) of this title shall be followed.

(3) The approval procedures to be followed for the Governor's youth services plan are those specified in § 676.14 of this title.

(4) The modification procedures specified in § 676.16 of this title shall be used to modify the Governor's youth services plan under YETP.

Subpart B—Youth Community Conservation and Improvement Projects

§ 680.100 Purpose.

(a) This subpart contains the regulations for the Youth Community Conservation and Improvement Projects (YCCIP) under Title IV, Part A, Subparts 2 and 4 of the Act. The introductory and general provisions at *Parts 675 and 676* of Title 20 and the YETP regulations at Subpart A of this Part also apply to YCCIP programs, except that to the extent the regulations set forth in this subpart conflict with other regulations promulgated under the Act, the requirements contained in this subpart shall prevail (sec. 447).

(b) This program seeks to provide youth, experiencing severe difficulties in obtaining employment with well supervised work in projects that produce tangible benefits to the community.

§ 680.101 Eligibility for funds under YCCIP.

Prime sponsors designated under § 676.5 are eligible to apply for YCCIP funds for projects in their area.

§ 680.102 Allocation of funds.

(a) *Allocations.* Allocation of funds under YCCIP shall be in accordance with section 423 of the Act.

(b) *Program funding estimates.* The Secretary will provide prime sponsors

with program funding estimates based on their relative share of the State's unemployed population.

§ 680.103 Program planning, planning and youth councils.

(a) *Planning.* The prime sponsor shall utilize the planning process and planning council as described in §§ 676.6 and 676.7 of this title and the youth council established for YETP in developing its annual plan subpart for YCCIP (sec. 426(c)).

(b) *Additional information.* The RA may require that the additional information specified below be submitted at the same time as the Preapplication for Federal Assistance. Where such information is required, a decision concerning the adequacy of that information must be provided to the prime sponsor by five (5) working days after the submission date of the preapplication. The prime sponsor will not be required to submit such information in its annual plan subpart. Such information includes a description of methods to:

- (1) Solicit applications, particularly, from neighborhood and community-based organizations, and solicit comments on the project applications from the planning and youth councils;
- (2) Objectively select and rank project applications; and
- (3) Involve appropriate labor organizations in the planning process.

§ 680.104 Description of the YCCIP annual plan subpart.

(a) Each prime sponsor shall submit a YCCIP subpart, by date established by the RA which, when approved, shall become part of the annual plan.

(b) The RA shall review and approve or disapprove the YCCIP subpart using the procedures in § 676.14 of this title.

(c) *Narrative description.* The narrative shall contain:

(1) *Objectives and needs for assistance.* Using the requirements for the YETP narrative, provide a description of the purpose, goals and objectives of the YCCIP program and the target groups that will be served.

(2) *Results and benefits.* As described in the YETP narrative requirements, provide a description of the benefits that will accrue to the participants and to the community through the YCCIP program (Sec. 426(b)).

(3) *Approach.* (i) *Participant recruitment and eligibility.* As described, in the YETP narrative requirements, provide the methods that will be used to recruit, select and verify eligibility of YCCIP youth.

(ii) *Worksite supervision.* (A) Describe the training for worksite

supervisors and other worksite personnel involved with project participants (sec. 425(b)(3)); and

(B) If the supervisor/worker ratio is less than 1:12, provide justification (sec. 425(b)(3)).

(iii) *Program activities and services.* (A) Describe the job training and skill development activities that will be available to participants. Indicate the service delivered and the activities they will provide, the duration of each activity and the skills to be learned, and the number of participants to be served by each activity (sec. 426(b)(2)).

(B) Describe plans to coordinate the training and skill development activities with school-related programs (sec. 426(b)(2)).

(iv) *Program linkages.* If not elsewhere described in the Comprehensive Employment and Training Plan, describe the program linkages established under YCCIP.

(v) *Project solicitation and selection.* (A) If not included elsewhere in the Comprehensive Employment and Training Plan, describe the method used to solicit YCCIP project applications. Describe the efforts made to solicit applications from neighborhood and community-based organizations; and the method used by program agents to solicit applications, if different from the prime sponsor's (sec. 426(a)(1)).

(B) List or attach the criteria used to determine which project proposals are eligible for funding (sec. 426(a)(1)).

(C) Attach all project applications approved by the prime sponsor and the program agent and include a ranked listing of the approved project applications which total 100 percent of the prime sponsors funding estimate (sec. 426(a)(1)). Also include a ranked listing of any additional approved project applications above the funding estimate.

(D) Attach all project applications approved by program agents but not approved by the prime sponsors and describe why these project proposals were not approved by the prime sponsor (sec. 426(a)(1)).

(4) *Management and administration.* (i) Describe any significant differences in the administration, operation, and management (including organizational structure) of the YCCIP program from the information provided elsewhere in the Comprehensive Employment and Training Plan.

(ii) Attach a copy of the Program Planning Summary (PPS) and Budget Information Summary (BIS) on the YCCIP program.

(5) *Assurances and certifications.* The Assurances and certifications and detailed instructions for completing the

requirements of the YCCIP annual plan subpart are contained in the *Forms Preparation Handbook*.

§ 680.105 Project planning process.

(a) *Program specifications.* In developing the program specifications, prime sponsors may, after obtaining the approval of the planning and youth councils, limit the types of project activities by:

(1) Establishing limitations on the size and duration of all projects;

(2) Restricting projects to specified community needs; and

(3) Identifying specific neighborhoods or geographic areas in which projects may be conducted.

(b) *Procedures.* Each prime sponsor shall establish procedures for its own use and the use of any program agent(s) which will assure that potential project applicants, particularly neighborhood and community-based organizations, are notified of the project application process and the cut-off date for acceptance of project applications. The method of notification may be public hearings, public notice in the newspapers, bulletins, or other appropriate media.

§ 680.106 Project application content.

All project applications must contain the following information:

(a) *Agency.* Name of agency or organization applying for project funds, type of agency (community-based organization, local educational agency) and, if applicable, the program agent to which it was submitted;

(b) *Description of project.* (1) The need for the project in the area in which it will be conducted and how the project will meet the need;

(2) The types of jobs youth are to perform;

(3) The full-time supervisor to youth ratio, or its equivalent and the reason for selecting the ratio;

(4) The qualifications of the supervisors in terms of necessary skills and experiences, or where these are not yet specifically identified, assurances that supervisors will be adequately trained in the skills needed to carry out the projects and in instructing participating youth and a description of the method for selecting supervisors; and

(5) The beginning and ending dates of the project;

(c) *Participants.* (1) Identify the number of participants to be enrolled and their expected duration of employment, not exceeding 12 months;

(2) List the target groups to be served; and

(3) Describe the expected benefits to accrue to participants, e.g., skills to be obtained, academic credits to be earned;

(d) *Job titles, description and wages.*

(1) The principal job titles, job descriptions, and hourly wages to be paid. If job restructuring is to occur, a description of the methods of the analysis to be used, the expected results, the methods for obtaining concurrence of appropriate collective bargaining agents, when a collective bargaining agreement is affected, and the relevant expertise of personnel who performed the restructuring; and

(2) The participation of appropriate collective bargaining agents, if a collective bargaining agreement will be affected, with regard to job classifications and wage rates;

(e) *Administration.* A description of the project applicant's organization (including type of organization, purpose of organization), experience in operating employment and training programs and/or providing public services, and a description of the accounting and financial management procedures and/or arrangements; and

(f) *Budget.* The budget shall include totals for the following line items:

(1) Direct program costs;

(2) Costs of participant wages and fringe benefits;

(3) Costs of wages and fringe benefits of worksite supervisors;

(4) Costs of job-related training;

(5) Costs of materials, supplies and equipment used by participants on the job; and

(6) Costs of supportive services for participants.

§ 680.107 Project application submission.

The project applicant shall submit applications to the program agent or to the prime sponsor, if there is no program agent, for its area.

§ 680.108 Project review.

(a) *Criteria.* The prime sponsor shall establish criteria to be used consistently by itself and any program agent for evaluating and approving project applications. These criteria are subject to review and comment by the youth and planning councils.

(b) *Information.* Each project, in order to be approved must:

(1) Provide tangible output and measurable benefits which will accrue to the community;

(2) Provide benefits to participants in terms of work habits, skills, apprenticeable skills, and attainment of academic credit, where applicable;

(3) Be labor intensive;

(4) Assure an adequate level of supervision, taking into account the complexity of the jobs to be created;

(5) Describe or assure adequate qualifications for supervisors in terms of necessary skills and experience;

(6) Assure that projects shall permit in-school youths employed in the projects to coordinate their jobs with classroom instruction and, to the extent feasible, permit such youths to receive academic credit for their participation in the program (sec. 427(b)); and

(7) Assure that any person hired to supervise youth shall not impede the promotional rights of existing employees.

(c) *Process.* Project applications from neighborhood and community-based organizations of demonstrated effectiveness in providing employment and training services to youth shall be considered before applications from other project applicants are considered. Where it can be documented that a neighborhood or community-based organization does not have the administrative capability to run a project, or its project application does not meet the project review criteria established by the prime sponsor, then project applications from other than neighborhood and community-based organizations may be considered: *Provided*, the same criteria are used.

(d) *Review.* Program agents shall review the project applications submitted to them, approve or disapprove them, and submit all project applications to the prime sponsor, indicating their approval or disapproval.

(e) The prime sponsor shall review those project applications received, including those submitted by any program agent(s). When reviewing those submitted by a program agent, the prime sponsor shall give due consideration to project applications approved by the program agent.

(f) After review, the prime sponsor shall submit all project applications to the youth and planning councils for comment and recommendations (sec. 426(c)).

(g) After review of any comments and/or recommendations of the planning and youth councils, the prime sponsor shall approve or disapprove the project applications. The prime sponsor, however, shall not disapprove a project application recommended for approval by the councils unless it has first considered any comments and recommendations made by the planning and youth councils and unless it has provided the councils with a written statement of its reasons for disapproval (sec. 426(c)(2)).

(h) In case of disapproval, the prime sponsor shall inform the project applicant in writing of its disapproval. It shall also indicate the reasons for the disapproval.

§ 680.109 Project prioritization.

Each prime sponsor shall rank, in terms of their relative priority, approved project applications. Each prime sponsor shall submit:

(a) A primary listing or prioritized proposed projects not to exceed 100 percent of the program funding estimate; and

(b) If additional projects have been approved, a second listing to be considered for future funding, in instances where:

- (1) Projects submitted within the 100 percent are not acceptable to the RA;
- (2) A project is subsequently found to be nonproductive or is withdrawn; or
- (3) Additional funds become available.

§ 680.110 Project activities.

(a) Each project shall provide participants with constructive work in terms of individual and community benefits in such areas as, the rehabilitation or improvement of public facilities (including removing of architectural barriers which limit the access to these facilities by handicapped individuals), neighborhood improvements, weatherization and basic repairs to low-income housing, energy conservation including solar energy projects, especially those utilizing materials and supplies available without cost, and conservation, maintenance, or restoration of natural resources on non-Federal publicly held lands (sec. 422).

(b) Training provided in YCCIP shall be directly related to the development of specific skills needed for the job.

§ 680.111 Agreements with project applicants.

(a) Prime sponsors or program agents shall enter into financial agreements with project applicants except as provided in paragraph (b) of this section.

(b) The prime sponsor or program agent may enter into a nonfinancial agreement with a project applicant if there is a written agreement that clearly identifies the administrative and programmatic benefits of such a nonfinancial agreement.

§ 680.112 Program agent responsibility.

A program agent under title II may elect to be a program agent under this subpart. Program agents shall approve or disapprove projects, administer the program in their areas, and be subject to the limitation of funds provided in § 680.113. The administrative

responsibilities described in § 677.54(b) of this title shall apply to YCCIP program agents.

§ 680.113 Limitation on use of funds.

(a) *Administrative costs.* No more than 5 percent of the total funds may be used by the prime sponsor and program agent(s) for administrative costs. The remaining funds shall be made available for projects.

(b) *Project funds.* Of the project funds:

(1) At least 65 percent of the funds available shall be used for participant wages and fringe benefits, unless adequate justification is provided in the prime sponsor's YCCIP annual plan subpart.

(2) No more than 10 percent may be used by project applicants for administrative costs.

(3) Any remaining funds may be used for project related training of participants, project supervisors, service to participants, and for the acquisition, lease, or rental of materials, equipment, and supplies.

§ 680.114 Supervisory personnel.

Each project shall have an adequate number of skilled supervisors. There shall be at least the ratio of 1 full-time supervisor to every 12 youths, unless satisfactory justification for another ratio is provided in the prime sponsor's YCCIP annual plan subpart. Supervisors shall have the skills needed to carry out the project and shall be able to instruct participants in those skills (sec. 425(b)).

§ 680.115 Eligibility for participation.

(a) Each person shall, at the time of application:

(1) Be 16 through 19 years of age, inclusive; and

(2) Be unemployed (sec. 422).

(b) *Selection.* In selecting eligible youth, prime sponsors shall give preference to the economically disadvantaged youth within the eligible population.

(1) Appropriate efforts shall be made to serve those eligible youths who have severe handicaps in obtaining employment (sec. 444(a)).

(2) A youth may not be enrolled in full-time employment opportunities if:

(i) The individual has not attained the age with respect to which the requirement of compulsory education ceases to apply under the laws of the State in which such individual resides, except: (A) During periods when school is not in session, and (B) where employment is undertaken in cooperation with school-related programs awarding academic credit for work experience; or

(ii) The individual has not attained a high school diploma or its equivalent and it is determined by the prime sponsor that the youth dropped out of high school in order to participate in YCCIP (sec. 443(f)).

(c) *Limitation.* Each participant shall be limited to a maximum enrollment of 12 months with no more than two reenrollments, provided age eligibility is met at the time of each reenrollment and the 12 month limitation is not exceeded. Consistent with the termination procedures specified in § 676.30(b), every effort shall be made to transition participants into unsubsidized jobs or other CETA opportunities upon completion of the 12 months enrollment (sec. 428).

§ 680.116 Participant compensation, benefits and working conditions.

(a) Participants shall receive wages as described in § 680.10(a).

(b) Each participant shall be provided the benefits and working conditions as provided in § 676.27 of this title.

§ 680.117 Earnings disregard.

Wages received by any youth under YCCIP shall be disregarded in determining the eligibility of the youth or the youth's family for, and the amount of, any benefits received based on need, under any Federal or federally assisted programs (sec. 446).

§ 680.118 Maintenance of effort.

The provisions of § 680.12 regarding the maintenance of effort shall apply to YCCIP programs.

§ 680.119 Substitution for Title II programs.

Programs funded under YCCIP shall be supplementary to but not replace programs and activities for youth available under title II of the Act (sec. 421).

§ 680.120 Academic credit.

Prime sponsors shall make appropriate efforts to encourage educational agencies and post-secondary institutions to award academic credit for competencies participants gain from their participation in the program (sec. 445(a)). If academic credit is not given for work experience in YCCIP projects, high school dropouts and potential dropouts shall be encouraged to return to or remain in school.

§ 680.121 Reallocation procedures.

The reallocation procedures under § 680.15(a) shall apply to YCCIP programs.

§ 680.122 Modifications.

The modification procedures under § 680.16 shall apply to YCCIP programs.

§ 680.123 Reporting requirements.

The reporting requirements under § 680.17 shall apply to YCCIP programs.

§ 680.124 Review by the RA, redistribution.

(a) The RA may approve projects up to 100 percent of the prime sponsors program funding estimate.

(b) The RA shall disapprove any project application which does not meet the requirements of the Act, and the regulations. RA's shall review individual applications for unresolved disagreements between appropriate labor organizations, employers, and prime sponsors with respect to jobs that have been restructured. RA's shall provide in writing to the prime sponsor an explanation for any prioritized project applications that are rejected.

(c) *Redistribution.* If there are insufficient approved prioritized project applications to equal the prime sponsor's program funding estimate, the RA shall allow the prime sponsor 30 days in which to modify the prioritized project list. If the prime sponsor fails to submit revised project applications or submits revised project applications which are not approvable, the RA shall award the unused funds to other prime sponsors within the State for project applications approved by the RA. In States with only one prime sponsor or in States where no other prime sponsor will be able to spend these funds within a reasonable period of time, the RA shall initiate the reallocation procedures set forth in § 676.47 of this title.

Subpart C—Summer Youth Employment Programs**§ 680.200 Purpose.**

(a) This subpart contains the regulations for that part of the Summer Youth Employment Program (SYEP) under Title IV, Part C of the Act which is operated by prime sponsors designated under § 676.5 of this title. The introductory and general provisions at *Parts 675 and 676* and the YETP regulations at Subpart A of this Part also apply to the SYEP program. To the extent, however, that the regulations in this subpart conflict with other regulations promulgated under the Act, the requirements contained in this subpart shall prevail (sec. 484).

(b) The Summer Youth Employment Program shall provide eligible youth with useful work and sufficient basic education and institutional or on-the-job training to assist these youths to

develop their maximum occupational potential and to obtain employment not subsidized under this Act. The programs shall be designed to meet the diverse individual needs of each participant. Among these are:

- (1) Structured and well supervised work;
- (2) Opportunities to explore vocational interest;
- (3) Job rotations to expose youth to different work settings;
- (4) Vocational counseling and occupational information;
- (5) Providing income to participants who without assistance would be unable to attend school;
- (6) Meeting special employability needs;
- (7) Services to induce and aid dropouts to return to school; and
- (8) Placement into short-term subsidized employment leading to full-time unsubsidized employment for youth where return-to-school is not expected.

§ 680.201 Eligibility for SYEP funds.

Prime sponsors designated under § 676.5 are eligible to receive funds under SYEP (sec. 482).

§ 680.202 Allocation of funds.

Allocation of funds under SYEP shall be in accordance with section 483 of the Act.

§ 680.203 Unexpended previous year funds.

Unexpended summer program funds as of September 30 of each year shall be used in planning and designing the next year's summer program as described in § 680.204.

§ 680.204 Startup of program.

(a) During the planning and design phase of the program and prior to the close of the school year, only those activities outlined in paragraph (b) below are permissible. Youth may not be compensated for participation in the program prior to the close of school.

(b) Upon approval by the RA, the following planning and design activities shall be allowable beginning October 1 of each year:

- (1) Development of the SYEP annual plan subpart;
- (2) Hiring of staff (planners, worksite developers, intake specialists, etc.);
- (3) Publication and clearance;
- (4) Worksite development;
- (5) Recruitment, intake and selection of participants;
- (6) Arrangements for supportive services;
- (7) Dissemination of program information, including orientation;
- (8) Development of coordination between schools and other services;

(9) Staff training; and

(10) Other activities, with the approval of the RA, that may be characterized as planning and design but not program operation.

§ 680.205 Program planning; planning and youth councils.

(a) Each prime sponsor shall utilize the planning process and planning council, as described in § 676.6 and 676.7 of this title, and the youth council established under subpart A of this Part.

(b) In developing the SYEP annual plan subpart, the prime sponsor shall coordinate SYEP activities with programs for youth under Part 677 and subparts A and B of this Part (sec. 483(a)).

§ 680.206 Basic program design provisions.

Each prime sponsor shall:

(a) Provide services to those individuals most in need among its economically disadvantaged youth population, within the prime sponsor's jurisdiction, taking into account any priorities identified by the Secretary. Such services shall be provided on an equitable basis considering the geographic distribution of economically disadvantaged youth within the prime sponsor's jurisdiction.

(b) Design programs which are, to the maximum extent feasible, consistent with every participant's fullest capabilities.

(c) Develop outreach and recruitment techniques aimed at all segments of the economically disadvantaged youth population; especially school dropouts, youth not likely to return-to-school without assistance from the summer program, and youth who remain in school but are likely to be confronted with significant employment barriers relating to work attitude, aptitude, social adjustment, and other such factors.

(d) Provide labor market orientation to all participants either on a group or individual basis.

(e) Make maximum efforts to develop cooperative relationships with other community resources so that SYEP activities, including worksite supervision, are provided in the summer program at no cost, or at minimum cost, to the summer program.

(f) Make appropriate efforts to encourage local educational agencies and post-secondary institutions to award academic credit for the competencies participants gain from their participation in the summer program.

§ 680.207 Description of the SYEP annual plan subpart.

(a) Each prime sponsor shall submit a SYEP subpart by a date established by the RA which, when approved, shall become part of the annual plan. The RA may request an advance copy of the plan for preliminary review or authorize the prime sponsor to simultaneously submit the subpart to the regional office during the comment and publication process. The RA may conditionally approve the plan subject to final resolution of any comments received during the comment and publication period or any comments made by the regional office.

(b) The RA shall review, and approve or disapprove the SYEP subpart using the procedures in § 676.14 of this title.

(c) The SYEP subpart shall consist of the following items:

- (1) Approval Request Letter;
- (2) Application for Federal Assistance (Standard Form 424); and
- (3) Narrative description.

(d) *Narrative description.* The narrative description shall contain:

(1) *Objectives and needs for assistance.* (i) Using the requirements for the YETP narrative, provide a description of the purpose, goals, and objectives of the SYEP program and the target groups that will be served by the program.

(ii) *Special group waivers.* Describe the conditions for which a waiver to the limitation on participation in work experience is being requested for any special group(s) of youth being served under SYEP.

(2) *Results and benefits.* Using the requirements for the YETP narrative, describe the participant benefits that will result from the program.

(3) *Approach* (i) *Program activities and services.* (A) Provide a description of the program activities and services and indicate the service deliverers and the activities they will provide, the duration for each activity and the skills to be learned, and the number of participants to be served by each activity.

(B) Describe the labor market orientation component.

(ii) *Program linkages.* If not elsewhere described in the Comprehensive Employment and Training Plan, described the program linkages established under SYEP.

(iii) *Worksites.* (A) Attach a copy of a worksite agreement which is representative of the worksite agreements used for SYEP.

(B) Describe the training for worksite supervisors, and other worksite personnel with respect to their responsibilities under the SYEP.

(iv) *Participant recruitment and selection.* Using the requirements for the YETP narrative, describe the methods that will be used to recruit, select, and verify eligibility of YETP youth.

(v) *Special components.* (A) If a vocational exploration program (VEP) is to be funded under the SYEP, describe the program and indicate the number of participants and planned expenditures for the program, the organizations with which agreements have been written, the arrangements covered by these agreements, the occupations to which participants will be exposed, provide evidence of the approval by the affected collective bargaining agent(s), and if a nationally funded VEP is operating in the prime sponsor's area, identify the functions or activities the prime sponsor will perform for the nationally funded program.

(B) If an Entitlement project under subpart D of this Part is being funded and operated with SYEP funds, describe the project, including the primary program activities.

(4) *Management and administration.* (i) Describe any significant differences in the administration, operations, and management (including organizational structure) of the SYEP program from the information provided elsewhere in the Comprehensive Employment and Training Plan.

(ii) Describe the results of or attach copies of any evaluation/assessment reports conducted on the last year's SYEP program which were used to set priorities and/or determine the programmatic goals for purpose of SYEP.

(iii) Attach copies, if any, of comments and recommendations received on the SYEP plan from the appropriate labor organizations, the youth council, the planning council, CBO's and LEA's.

(iv) If not elsewhere included in the Comprehensive Employment and Training Plan, describe the monitoring and evaluation process that will be used for the program.

(v) Attach a copy of the Youth Program Planning Summary and Youth Budget Information Summary on the SYEP program.

(5) *Assurances and certifications.* The SYEP assurances and certifications and detailed instructions for completing the requirements of the SYEP annual plan subpart are contained in the *Forms Preparation Handbook*.

§ 680.208 Activities and services.

(a) Programs may include any employment and training activity or service specified in § 676.25 of this title, except public service employment.

(b) Prime sponsors operating Youth Incentive Entitlement Pilot Projects (YIEPP) may use SYEP funds for their YIEPP program. The provisions of Subpart D of this Part shall apply to SYEP funds used for this purpose.

§ 680.209 Program management provisions.

Each prime sponsor shall:

(a) Provide adequate skilled supervisors to participants at each worksite.

(b) Closely monitor the performance of service deliverers in compliance with the provisions of the regulations governing the summer program, particularly the provisions of paragraph (h) of this section. Specifically, prime sponsors shall have sufficient technical and managerial personnel to monitor performance and to measure program outcomes against prime sponsor's established goals.

(c) Ensure that enrollee applications are widely available and that jobs are awarded among the most severely disadvantaged in an equitable fashion. Each prime sponsor shall inform each participant of the purposes of the program, the conditions and standards (including such items as hours of work, pay provisions and complaint procedures) for work activities in the program and require a signature of the applicant or (in the case of minors) the parent, responsible adult, or guardian attesting to the accuracy of the information, especially income data, provided on the application.

(d) When using contractors or subrecipients, enter into contracts or subgrants in accordance with § 676.37. Prime sponsors may enter into contracts or subgrants for those allowable activities or operations of the summer program only with organizations that have demonstrated sufficient program capability and shall have reasonable assurances that such organizations:

(1) Have sufficient capability to operate the program;

(2) Have financial management capability as required by § 676.34;

(3) Assure in their applications that all proposed worksites meet the requirements of this subpart, and that such worksites will meet the standards of § 680.210;

(4) Assure in their applications that they will have available for review and monitoring the names and qualifications of their officers, directors, and managing personnel, including the names and qualifications of officers, directors and managing personnel of any affiliate, subsidiary, etc., who have operational or fiscal responsibilities for the summer program;

(5) Assure in their applications that they will have available a list of all Department of Labor; Department of Health, Education, and Welfare; and Department of Agriculture programs under which they have received financial assistance during the last three years and provide in their applications a statement that to the best of their knowledge, they have substantially complied with the requirements, procedures and objectives of such programs;

(6) Assure in their applications that there is no information available to them showing substantial non-compliance with the Act and regulations in operation during the terms of the previous year's summer program, or if there is, they shall include in their applications a copy of an acceptable plan to correct such deficiencies; and

(7) Assure in their applications that all of their personnel will have basic training in the program and regulations before the summer program begins.

(e) Consider in selecting contractors or subrecipients the capability of such organizations to:

(1) Provide worthwhile work to participants (i.e., work that is appropriate in terms of participants' needs and local market demands);

(2) Provide the specific services contracted for;

(3) Restrict expenditures to allowable cost items, only;

(4) Submit timely and accurate reports;

(5) Authorize payment only for time worked by a participant or an employee of the project sponsor; and

(6) Provide such public information regarding the program worksites and its administrators as may be requested.

(f) Require their contractors or subrecipients to:

(1) Have supervisory and operational personnel for monitoring each site to which participants are assigned;

(2) Assure that all sites, where participants will be assigned, have the capability and facilities to provide services to summer youth in a sanitary and safe environment; and

(3) Train their own personnel and worksite personnel with regard to the duties and responsibilities, including monitoring.

(g) Compile and continually update a list of worksites divided by contractor and subrecipient to aid in its monitoring efforts and to be made available to the public on request.

(h) Visit worksites of each contractor or subrecipient on a sample basis during the first half of the summer program to determine whether:

(1) The activities on the site are those described in the worksite agreement;

(2) There is sufficient meaningful work to occupy all the youth assigned during the hours they are at the site;

(3) Attendance records are being maintained and accurately record time worked by each enrollee; and

(4) The requirements of the Act and this subpart are being met.

(i) Promptly review the reports written by its own and Federal monitors.

(j) Revisit worksites where monitors report problems.

(k) Close worksites where it finds serious or continual violations of the Act, the regulations or conditions of the contract or subgrant, and which are not likely to be remedied by quick remedial action.

§ 680.210 Worksite standards.

(a) No participants under 18 years of age shall be employed in any occupation which the Secretary has found, pursuant to his authority under the Fair Labor Standards Act, to be particularly hazardous for persons between 16 and 18 years of age (see Subpart E of Part 570 of Title 29).

(b) Participants who are 14 and 15 years of age shall participate only in accordance with the limitations imposed by the Fair Labor Standards Act. (See subpart C of Part 570 §§ 570.31 and 570.35 of Title 29.)

(c) (1) Each prime sponsor shall develop a written financial or non-financial agreement with each worksite employer which assures:

(i) Adequate supervision of each participant,

(ii) Adequate accountability for participant time and attendance, and

(iii) Adherence to the rules and regulations governing SYEP.

(2) Such written agreements may be memoranda of understanding, simple work statements or other documents which indicate an estimate of the number of participants at the worksite and any operational conditions to which the worksite is expected to adhere.

(d) Each prime sponsor shall establish procedures for the monitoring and evaluation of each worksite to insure compliance with the worksite agreements and the terms and conditions of subgrants and contracts.

(e) No participant shall be required to work, nor be compensated for work, with CETA funds, for more than 40 hours per week. While the Department uses a 9-week, 26-hour week job as the basis for estimating the number of youth to be served, it is not intended to take away the flexibility of the prime sponsor to establish job slots in keeping with the

needs of the area and the youth to be served.

§ 680.211 Eligibility for participation.

Each person shall be:

(a) At the time of application, economically disadvantaged; and
(b) At the time of enrollment, 14 through 21 years of age inclusive (sec. 402(a)).

§ 680.212 Participant compensation, benefits and working conditions.

(a) Prime sponsors shall provide participant benefits, wages, and allowances as provided in §§ 676.26 and 676.27.

(b) Participants enrolled in vocational exploration activities shall be compensated as described in § 676.26 *except*: Participants receiving public assistance, or whose needs or income are taken into account in determining such public assistance payments to others, may receive a stipend in addition to their incentive allowance for participation in vocational exploration program activities; *Provided*, That the participant's total allowances (the incentive allowance plus any stipend) do not exceed the basic allowances paid to other participants.

This stipend is available to provide for the exceptional expenses incurred by these participants which might otherwise prevent the individuals from participating in a VEP activity. The first \$30 of such total allowance payment shall be disregarded in determining the amount of public assistance payments under Federal or federally assisted public assistance programs. In prescribing the total allowance payment for each participant, the prime sponsor shall insure that no individual shall receive an amount in allowances which would result in a net loss to the youth or the youth's family in public assistance benefits.

§ 680.213 Reallocation procedures.

The reallocation procedures under § 676.47 shall apply to SYEP programs.

§ 680.214 Modifications.

(a) The procedures specified in § 676.16 shall apply to the modifying of the SYEP subpart, except that the provisions concerning A-95 clearance shall not apply.

(b) The RA shall notify the prime sponsor of approval or disapproval within 10 days of receipt of the proposed modification.

§ 680.215 Reporting requirements.

Each prime sponsor shall submit the following reports to the RA:

(a) A Youth Program Status Summary, as of June 30 and September 30

(separate reporting of the vocational exploration program component will be included in this report);

(b) A Youth Financial Status Report, as of June 30 and September 30 (separate reporting of the Vocational exploration program component will be included in this report);

(c) Separate Quarterly Summary of Participant Characteristics reports as of September 30, based on the participant records for this program and any Part 677 summer youth programs;

(d) Selected information required on the above reports shall be submitted for informational purposes for participants and expenditures in summer components funded with monies in the Part 677 annual plan subparts as applicable;

(e) Selected information required on the above reports shall also be submitted for reporting purposes, for participants and expenditures in entitlement projects funded with monies provided under this subpart, as well as in the required entitlement reports; and

(f) The reports in this section shall be submitted to the RA no later than 30 days after the end of the report period.

§ 680.216 Termination date for the summer program.

(a) Participants shall not be enrolled in program activities beyond September 30. However, in no event may a participant work full time after the beginning of his or her school year.

(b) In addition to the activities described in § 680.204, allowable activities after September 30 include: report and record preparation and submittal, completion of evaluations and assessments of the summer program, and audits.

Subpart D—Youth Incentive Entitlement Pilot Projects

§ 680.300 Scope and purpose of subpart.

(a) This subpart contains the regulations governing the Youth Incentive Entitlement Pilot Projects (Entitlement Projects) under Title IV, Part A, Subpart 1 of the Act. The Youth Incentive Entitlement Pilot Projects were established by Title II of the Youth Employment and Demonstration Projects Act (YEDPA) of 1977.

(b) The basic purpose of the Entitlement Projects is to test the experimental idea of guaranteeing jobs, or in some cases a combination of jobs and training, to economically disadvantaged youth. The program is operating only in certain prime sponsor areas, or portions of prime sponsor areas, chosen by the Department of Labor. Within those areas during the

school year, otherwise unavailable part-time employment, or a combination of part-time employment and training, will be guaranteed to those economically disadvantaged youth between the ages of 16 to 19 inclusive, who are in secondary school or who are in a program leading to a certificate of high school equivalency. In addition, in those same areas during the summer, otherwise unavailable full-time employment, or a combination of part-time employment and training, will be guaranteed to economically disadvantaged youth, between the ages of 16 to 19 inclusive, who are in a secondary school or who are in a program leading to a certificate of high school equivalency (sec. 416(a)).

(c) Congress mandated that the entitlement approach be rigorously tested under varying geographic, economic, and other circumstances. Because of the high cost of guaranteeing year-round jobs to all in-school disadvantaged youths, only a limited number of demonstrations could be undertaken with available funds. In order to test whether jurisdictions can feasibly implement substantial programs, only a limited number of Tier I projects were implemented. These are covering entire jurisdictions or neighborhoods. In order to test a number of innovative approaches authorized by the Act and to get a wider geographic spread, a somewhat larger number of Tier II projects were funded, demonstrating specific innovative entitlement approaches. These projects might cover only the area served by a particular school or small school district.

(d) To make sure that Entitlement Projects would be selected and operated as a national experiment, with the necessary flexibility to develop and test new and improved ideas, Congress did not authorize the Secretary to allocate funds to CETA prime sponsors by formula. Instead, the Secretary of Labor was required to determine how many Entitlement Projects are to be established and where they should be located.

§ 680.301 Regulations governing entitlement projects; definitions.

(a) All the provisions of Part 676 of this title shall apply to the Entitlement program except to the extent they conflict with the regulations in this subpart.

(b) To the extent that the research, demonstration, and informational requirements of this subpart conflict with the regulations contained in Part 676, the regulations in this subpart shall prevail. In order to determine whether a conflict exists, grantees shall consider

both the regulations in this subpart and the terms of the Entitlement grants which implement the regulations in this subpart. For example, the regulations throughout this subpart contain requirements that the grantee submit detailed information not required by the regulations in Part 676. Because of the research and demonstration nature of the Entitlement program such information is essential. As a result, the Entitlement grants, which implement the regulations contained in this subpart, contain reporting and other requirements which are both different from, and more detailed than, those in Part 676. In such cases, the grantees shall follow the Entitlement grant requirements. Other specific examples of such conflicts are as follows:

(1) Since under the regulations in this subpart, the Entitlement program is administered by the national office the terms regional office and Regional Administrator in Part 676 mean for purposes of this subpart national office and Grant Officer respectively; and

(2) To the extent that Entitlement grants require the use of categories for allocating costs for reporting purposes which are different from or more detailed than the allocable cost categories in § 676.41, the grantee shall allocate costs pursuant to the categories in the Entitlement grant.

(c) Questions regarding the applicability of specific provisions of Part 676 which may appear to conflict with the regulations or grant shall be addressed to the Grant Officer.

(d) Definitions for terms used in this subpart may be found at § 675.4 of this title, except as stated within this subpart.

§ 680.302 Funding of entitlement projects.

(a) Of the funds available under this subpart, the Secretary shall reserve a portion of the funds for research, technical assistance, consultants, and other appropriate purposes.

(b) The Secretary shall use the remaining funds under this subpart to fund selected Entitlement Projects.

§ 680.303 Eligibility for funds.

All prime sponsors under Title II of the Act were eligible to apply for Entitlement Project funds.

§ 680.304 [Reserved]

§ 680.305 [Reserved]

§ 680.306 [Reserved]

§ 680.307 [Reserved]

§ 680.308 [Reserved]

§ 680.309 [Reserved]

§ 680.310 [Reserved]

§ 680.311 [Reserved]

§ 680.312 [Reserved]

§ 680.313 [Reserved]

§ 680.314 Assurances and certifications.

The prime sponsor shall assure that, in operating its Entitlement Project, the prime sponsor will comply with the Master Plan including Assurances and Certifications in the Master Plan and with the following additional assurances:

(a) Compliance with Title IV, Part A, Subpart 1 of the Act, with other applicable provisions of the Act, and with the regulations in this subpart; and

(b) Compliance with the Hazardous Occupations Orders issued pursuant to the Fair Labor Standards Act and set forth at 29 CFR 570.50 *et seq.* with respect to the employment of youths under 18 years of age.

§ 680.315 Project responsibilities and requirements.

(a) *Project organization and administration.* (1) Because of the size and complexity of the Entitlement Projects, a single governmental, private nonprofit, or educational agency should be designated to assume overall management responsibility for program operations, including coordinating participant recruitment, work site development, operational relationships among schools, training activities and support services, program monitoring, report preparation, and maintenance of management information. The prime sponsor may delegate this responsibility.

(2) For the Entitlement Project, the entire youth participant payroll shall be centrally administered by the prime sponsor or its delegated management agency. Finally, since this is a demonstration project, extensive research, monitoring, and evaluation must be carried out by the prime sponsor under the supervision of the Department of Labor.

(b) *Commitment of local institutions and organizations.* (1) Prime sponsors shall consult with the appropriate labor organizations in developing restructured and/or newly classified jobs.

(2) Section 418(a)(4)(D) of the Act also requires that prime sponsors consult and work with a number of other local institutions and organizations in planning and implementing Entitlement Projects, including law enforcement and judicial agencies, youth groups, State and local public assistance agencies, community-based organizations, the private sector, and the State Employment Service. Arrangements should be made with all appropriate groups to obtain their assistance in operating the program.

(c) *Agreements.* Prime sponsors shall comply with the following agreements in carrying out their Entitlement Projects:

(1) All wage agreements entered into pursuant to § 680.319(a);

(2) An agreement with the State Employment Service agency;

(3) Agreements obtained from each participating school and high school equivalency (GED) program in the Entitlement Project area which is attended by eligible youths, and, to the extent feasible and appropriate, with every such school outside the Entitlement Project area which eligible youths from the Entitlement Project attend, indicating their willingness to provide a monthly status report for each participant certifying the participant's compliance or noncompliance with the school's or GED program's minimum academic and attendance requirements, including, from each participating secondary school and GED program a description of the standards and policies for determining its minimum academic and attendance requirements;

(4) All on-the-job training, employment guarantee and other agreements entered into with private nonprofit and for-profit employers;

(5) Any agreements with unions with respect to apprenticeship training; and

(6) Any other agreements entered into in order to run the Entitlement program.

(d) *Program operation-related documentation.* Prime sponsors shall document the following:

(1) The procedures for verification and reverification of eligibility criteria as required in § 680.313(f), and the method by which these will be implemented, and how the eligibility criteria and verification procedures will be explained to participants at the time of enrollment;

(2) Policies for defining good cause for the participant's rejection of a job or other nonparticipation; proposed procedures and timetable for making another job offer in such cases; and proposed procedures for the resolution of grievances.

(3) In detail, standards for determining satisfactory performance including

policies on attendance and lateness on the job or at training, suspension and termination policies and procedures, and the procedures and staff responsibilities for monitoring program performance.

(4) (i) Descriptions of which of the following groups of youth, if any will be considered by the prime sponsor to "reside" in the Entitlement Area and therefore be eligible (if otherwise eligible) for program participation:

(A) Youths confined in prisons or other correctional institutions in the area;

(B) Youths in area hospitals, drug rehabilitation centers, half-way houses, etc.; and

(ii) How the enrollment eligibility criteria and procedures will be applied to any of these or other groups of youth in institutional "residences" selected to be included in the program.

§ 680.316 Eligibility of participants.

(a) Every youth who resides in the geographic area of the Entitlement Project shall be entitled to participate in the program provided that, at the time of application and selection, the youth provides documented evidence which shows that:

(1) The youth is aged 16-19 inclusive, unless the Department has authorized the prime sponsor to administer an entitlement Project for youths between 19 and 25 years of age;

(2) The youth has not received a high school diploma or certificate of high school equivalency;

(3) The youth has resided in the Entitlement Project area for 30 days. Newly discharged veterans however, are exempt from the 30 day residency requirement;

(4) The youth is economically disadvantaged. For purposes of this subpart, economically disadvantaged shall mean that the youth:

(i) Either constitutes a family of one, or is a member of a family,

(ii) And receives cash welfare payments under a Federal, State or local program, or whose income is at or below the poverty level as determined by the Office of Management and Budget (OMB). For the purposes of this paragraph, a "family" is as defined in § 675.4 of this title, and the term "family income" is as defined in § 675.4 of this title. Family income shall be computed pursuant to § 675.4 of this title except that earnings received by a youth under Title IV OJT shall be disregarded in computing family income. In the case of newly discharged veterans, income received while in military service shall be disregarded in computing family income; and

(5) The youth is:

(i) Enrolled in and attending a State-certified secondary school program leading to a high school diploma, or enrolled in such a program scheduled to begin within 30 days of the Youth's Entitlement program enrollment; or

(ii) Enrolled in and attending a certified or approved program leading to a certificate of high school equivalency (GED), or enrolled in such a program scheduled to begin within 30 days of the Youth's Entitlement program enrollment.

(b) If the youth is under the juvenile or criminal justice system, the appropriate authorities must approve the youth's participation or continued participation in writing.

(c) The citizenship provisions of § 675.5(b) of this title shall apply to the Entitlement program.

(d)(1) No otherwise eligible youth shall be excluded from participation because of any mental or physical handicap.

(2) The prime sponsor must take every step necessary to insure that such youths can participate. The prime sponsor may not segregate such youths from regular program activities, but must redesign these activities to ensure participation.

(e) No youth may take a job under this subpart if a member of his or her immediate family as defined in § 676.66(c)(1) of this title, has responsibility for hiring persons into that job. Therefore, prime sponsors shall assure that eligible youths are not placed in jobs by members of their immediate families. The provisions of § 676.66 (a) and (b) shall not apply to this subpart. [Section 418(a)(4)(I).]

(f) A participant must continue to be economically disadvantaged as defined in § 680.316(a)(4) and to reside within the Entitlement Area or be terminated from the program. The prime sponsor shall re-verify participant economically disadvantaged status and residency between the seventh and twelfth month following enrollment and annually thereafter. In re-verifying economically disadvantaged status, however, wages and allowances received under the Entitlement program shall not be included when computing family income.

(g) A participant must meet minimum academic and attendance requirements of the secondary school or high school equivalency program in which the participant is enrolled or be terminated from the Entitlement program. The secondary school or GED program must provide monthly assurances that the participant is meeting minimum academic and attendance requirements.

(h) A participant who has been found by the prime sponsor, after notice and an opportunity for a hearing, to have refused a job or to be otherwise refusing to participate in the program without good cause, shall be terminated from the program. The participant shall be given a termination notice which states that the participant may appeal the termination to the appropriate ETA regional office. Upon receipt of such an appeal the regional office shall process it as a complaint pursuant to Subpart (f) of Part 676.

(i) Except as provided below, any participant who has been terminated from the Entitlement program may re-enroll at any time provided the participant meets the eligibility criteria in this section. Participants who have been terminated for failure to participate without good cause must wait 60 days before they apply for re-enrollment. Re-enrollment of such participant after the 60 day period shall be subject to a determination by the prime sponsor as to whether such individual would properly participate in the program.

(j) For youths who remain eligible as stated in (f) through (i) of this section, the minimum guaranteed period of employment for Entitlement-eligible youth is either 8 weeks of full-time summer employment or 6 months of part-time school-year employment (sec. 417). Therefore:

(1) A participant reaching 20 years of age while in the program may remain in the program until the participant completes either 8 weeks of full-time summer employment or 6 months of part-time school-year employment. If upon reaching the 20th birthday the participant has already completed either 8 weeks of full-time summer or 6 months of part-time school-year employment, the participant shall be immediately terminated from the program. For projects that are serving youth 19-25, this requirement applies to youth reaching 25 years of age.

(2) A participant who receives a high school diploma or a certificate of high school equivalency while in the program may remain in the program until the completion of either 8 weeks of full-time summer employment or 6 months of part-time school-year employment.

(k) Since jobs during the school year must last at least 6 months, and jobs in the summer must last at least 8 weeks, no youth may be enrolled in the program if the grant will end before the youth can complete the required period of employment unless there are sufficient funds to maintain that youth for the minimum guaranteed period of employment.

§ 680.317 Work sites.

(a) Work sites shall:

(1) Not detract from or interfere with the educational curriculum of the participants and, whenever possible, shall complement that curriculum;

(2) Be primarily in the Entitlement Area or easily accessible, and in reasonable proximity to the residences of eligible youth;

(3) Maintain a cooperative relationship with local business, union and community group interests;

(4) Provide attendance and productivity standards, which are adequate for monitoring purposes and capable on-site supervision; and

(5) Be developed and committed in such numbers and in such a way as to minimize the time between enrollment and assignment to a work site of any participant.

(b) Emphasis in work site development shall be placed on jobs having careful supervision and which provide youth with structured, productive work settings. Jobs shall be designed to introduce youth to the habits of successful work life and entry level or preparatory skills.

(c) Prime sponsors should make every effort to create new and different job classifications, occupations, and restructured jobs (sec 418(a)(3)).

(d) Participants shall spend a majority of paid program time on the work site engaged in direct job performance. Training may be provided during the remaining time, provided the training is directly related to the specific work assignment.

§ 680.318 Allowable activities.

(a) The Entitlement project may include any type of employment and training activity specified in § 676.25 of this title, except public service employment.

§ 680.319 Participant benefits.

(a) The wage provisions of § 680.10 shall apply to the Entitlement program. In addition:

(1) In Entitlement projects in which employment with private-for-profit employers is authorized, up to 100 percent of the wages may be paid. (i) However, in such cases, prime sponsors must submit acceptable plans for reducing the level of wage subsidy over the period of participation of the participant.

(ii) No additional payments shall be provided by the Entitlement program to any such for-profit organization.

(2) In the case of participants working at jobs and/or engaged in training provided by private-for-profit organizations wages (and/or

allowances) shall be paid, as in all cases, by the centrally administered payroll facility required by § 680.315 (1)(b).

(3) Each participant shall spend the majority of his/her paid time in the Entitlement program in either work or training which is directly related to the assignment. Consequently, participants should be paid wages for both work time and training time, except when more than 50 percent of scheduled program time is spent in training. In such cases, allowances shall be paid in accordance with § 676.26 for the period spent in training.

(b) Each participant, while in on-the-job training, or work experience, shall be assured of the general benefits and working conditions for program participants required by § 676.27 of this title.

(c) No funds under the Entitlement program may be used for retirement benefits or costs.

§ 680.320 Academic credit.

Prime sponsors shall make appropriate efforts to encourage educational agencies to award academic credit for the competencies participants gain in the Entitlement program.

§ 680.321 Disregarding earnings.

The provisions of § 680.11 of this Part shall apply to the Entitlement program (sec. 446).

§ 680.322 Maintenance of effort.

The provisions of § 680.12 and 680.13 shall apply to the Entitlement program.

§ 680.323 Limitations on use of funds.

(a) No funds under the Entitlement program may be used to pay for time spent in the Entitlement program in excess of 20 hours a week during the school year or 40 hours per week during the summer. The minimum paid program time guaranteed for each employed youth shall be 10 hours per week during the school year and 30 hours per week during the summer. Prime sponsors may also allow youths to work 40 hours a week during school year vacations of 5 consecutive school days or more, but there shall be no minimum paid program guarantee applicable to these school year vacations.

(b) *Training and support services.* (1) The basic intent of the Entitlement Projects is to provide employment. Training and support services may be provided, however, it should be assumed that a participant will spend most of paid program time engaged in direct job performance at the worksite.

(2) Any training that is conducted during paid program time should be

directly related to the participant's specific work assignment.

(3) Participants are to be paid for time spent in training in accordance with § 676.26 and § 680.319(a)(3).

(4) Participants shall not be paid for time spent in supporting services (as defined in § 676.25(e)(3)).

(5) Prime sponsors are discouraged from paying for staff and overhead costs for training and support services out of Entitlement funds. Prime sponsors should use funds from other sources to cover these costs.

(c) *Innovative Approaches.* Prime sponsors may test a variety of innovative employment and training approaches within the larger context of the Entitlement program. These approaches should not cover an entire Tier I project, of which the basic purpose is to test the Entitlement notion itself, but may be used as a component of Tier I projects. Tier II projects should include one or more of the following innovative approaches:

(1) The use of subsidies to private for-profit employers to encourage such employers to provide employment and training opportunities;

(2) Arrangements with unions to enable eligible youth to enter into apprenticeship training as part of the employment entitlement;

(3) Inclusion of economically disadvantaged youth between the age of 19 and 25 who have not received their high school diploma or equivalent;

(4) Inclusion of occupational and career counseling, outreach, career exploration, and on-the-job training as part of the employment entitlement;

(5) Inclusion of youth under the jurisdiction of the juvenile or criminal justice system with the approval of the appropriate authorities.

(b) Prime sponsors may use program funds under both Title II and Title IV, Part C of the Act for the Entitlement Project. Funds under Title IV, Part A, Subparts 2 and 3 of the Act may also be used provided modifications are obtained for those grants. Funds received under Title IV, Part C shall be integrated with funds received under this subpart. Therefore, the regulations under this subpart shall apply to such funds. Title II funds and other Title IV funds, however, may not be integrated, but must be separately accounted for. The regulations appropriate to each program shall apply to such funds when conflicts occur between those regulations and the Entitlement regulations. Thus, for example, Entitlement Project wages and allowances paid for with Title II funds, shall be paid at the wage rates and

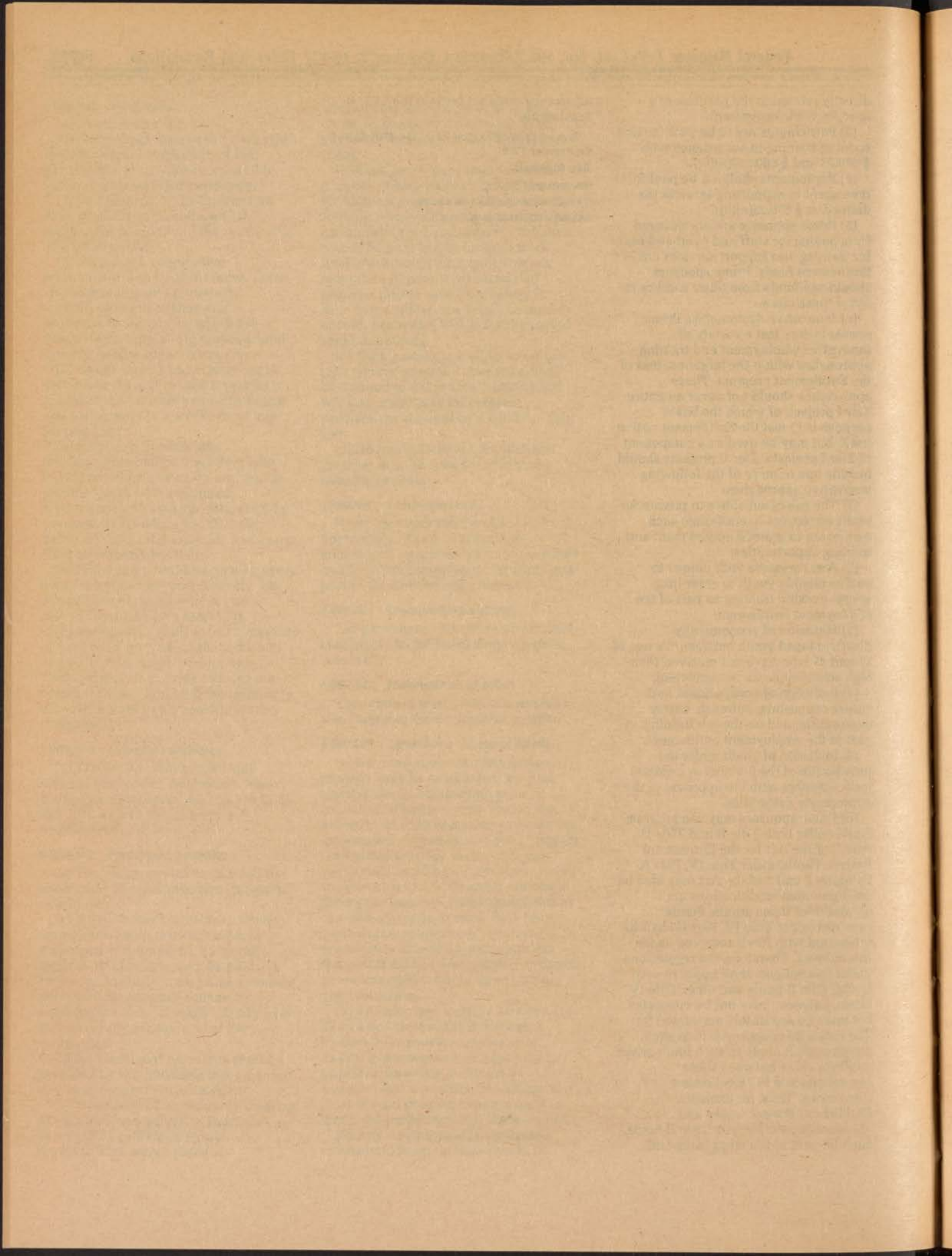
allowance rates set forth in the Title II regulations.

Signed at Washington, D.C., the 27th day of September 1979.

Ray Marshall,
Secretary of Labor.

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Part V

Department of Energy

Economic Regulatory Administration

**Mandatory Petroleum Allocation
Regulations; Amendment to Special Rule
9 Providing for the Special Allocation of
Middle Distillates**

DEPARTMENT OF ENERGY

Economic Regulatory Administration

10 CFR Part 211

[Docket No. ERA-R-79-25]

Mandatory Petroleum Allocation Regulations; Amendment to Special Rule No. 9 Providing for the Special Allocation of Middle Distillates

AGENCY: Economic Regulatory Administration, Department of Energy.

ACTION: Final rule.

SUMMARY: The Economic Regulatory Administration (ERA) of the Department of Energy (DOE) is amending Special Rule No. 9 to Subpart A, Part 211 to extend its effectiveness through January 31, 1980. Today's action is intended to promote activities involving surface passenger mass transportation by ensuring the continued availability of diesel fuel for such activities.

EFFECTIVE DATE: October 1, 1979.

FOR FURTHER INFORMATION CONTACT:

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Alan T. Lockard (Office of Fuels Regulation), Economic Regulatory Administration, Room 6222, 2000 M Street, NW., Washington, D.C. 20461, (202) 254-7422.

Ben McRae (Office of General Counsel), Department of Energy, Room 6A-127, 1000 Independence Avenue, SW., Washington, D.C. 20585, (202) 252-6739.

SUPPLEMENTAL INFORMATION:

- I. Background.
- II. Amendment Adopted.
- III. Procedural Requirement.

I. Background

In response to requests by the Department of Agriculture and other interested groups, we adopted a Special Rule No. 9 which provided for those engaged in agricultural activities to receive their current requirements of middle distillates in order to prevent the interruption of planting activities (44 FR 28606, May 15, 1979). We requested comments on Special Rule No. 9 through June 15, 1979 and held a public hearing in Washington, D.C. on May 18, 1979. We specifically requested comments as

to whether any other activity, such as surface passenger mass transportation, should be included within the coverage of Special Rule 9 and as to whether the Rule should be extended beyond July 31, 1979. Based on early comments and market data, we amended Special Rule No. 9 to include surface passenger mass transportation, agricultural trucking and crude oil and natural gas production activities (44 FR 31626, June 1, 1979).

Our review of all comments received by June 15, 1979 indicated that Special Rule No. 9 had served its original purpose, which was to provide enough fuel for planting the Nation's crops. However, the comments and our own analysis also indicated that the shortage of petroleum products resulted in difficulties for consumers of middle distillates engaged in many non-priority activities, and that this shortage situation had been exacerbated by the adoption of Special Rule No. 9. Accordingly, on June 21, 1979 we revised Special Rule No. 9 so that it provided an allocation only for surface passenger mass transportation (44 FR 37188, June 25, 1979). We continued the rulemaking proceeding, however, to consider the need for any additional action.

The revised Special Rule No. 9 provided for the allocation of middle distillates through September 30, 1979. We have received a significant number of comments, however, that urge us to extend the effectiveness of the revised Rule indefinitely. These comments restate the views expressed at the May hearing and in the earlier written comments that the activities included within surface passenger mass transportation were essential for many individuals and, together with vanpooling, had helped to conserve energy by giving individuals the choice of using more energy-efficient forms of transportation. They also indicated that the continuation of many of these energy-efficient activities at current levels require an assurance that sufficient fuel will be available in the coming months.

After considering these comments, we believe it appropriate to extend the effectiveness of Special Rule No. 9. Accordingly, we are amending Special Rule No. 9 to extend its effectiveness through January 31, 1980. In addition, we plan to issue shortly a Notice of Proposed Rulemaking to make Special Rule No. 9 permanent.

II. Amendment Adopted

Special Rule No. 9 is revised to be effective through January 31, 1980. The Operation of Special Rule No. 9 is thoroughly discussed in the May 15 and June 1 Notices, and that discussion is

incorporated herein by reference. It should be noted, however, that the provisions in Special Rule 9 which related to the redirection of product and the review of inventory practices expired on July 31, 1979, and have been deleted.

III. Procedural Requirement

A. Section 404 of the DOE Act

Section 404(a) of the DOE Act requires that the Federal Energy Regulatory Commission (FERC) be notified whenever the Secretary of Energy proposes to prescribe rules, regulations, and statements of policy of general applicability in the exercise of functions transferred to him under section 301 or section 306 of the DOE Act. If the FERC determines, within such period as the Secretary may prescribe, that the proposed action may significantly affect any of its functions under section 402 (a)(1) or (b) of the DOE Act, the Secretary shall immediately refer the matter to the FERC.

Following an opportunity to review Special Rule No. 9, the FERC has declined to determine that it may significantly affect one of its functions under the sections noted above.

B. Section 7 of the FEA Act

Under section 7(a) of the Federal Energy Administration Act of 1974 (15 U.S.C. 787 *et seq.*, Pub. L. 93-275, as amended), the requirements of which remain in effect under section 501(a) of the DOE Act, the delegate of the Secretary of Energy shall, before promulgating proposed rules, regulations, or policies affecting the quality of the environment, provide a period of not less than five working days during which the Administrator of the Environmental Protection Agency (EPA) may provide written comments concerning the impact of such rules, regulations, or policies on the quality of the environment. Such comments shall be published together with publication of notice of the proposed action. A copy of this Rule was provided to the EPA Administrator who has responded that EPA does not foresee this Rule having an unfavorable impact on the quality of the environment as related to the duties and responsibilities of EPA.

C. National Environmental Policy Act

It has been determined that these amendments do not constitute a "major Federal action significantly affecting the quality of the human environment" within the meaning of the National Environmental Policy Act (NEPA), 42 U.S.C. 4321 *et seq.*, and therefore an environmental assessment or an

environmental impact statement is not required by NEPA and the applicable DOE regulations for compliance with NEPA. This determination is based on our analysis which indicates that today's action will have no effect on the production or the available supply of middle distillates.

D. Section 501 of the DOE Act

Subsection 501(b) of the DOE Act requires that comments on a proposed rule be permitted for thirty days. Subsection 501(c) of the DOE Act requires that an opportunity be provided for the oral presentation of comments. As noted previously, we have complied with these prior notice and hearing requirements and have considered the comments received in deciding whether to adopt this Rule.

E. Executive Order 12044

Executive Order 12044 (43 FR 12661, March 23, 1978) requires the agencies subject to it to publish all proposed "significant" regulations for public comment for a minimum of 60 days and to prepare a regulatory analysis for those significant regulations which are determined likely to have a major impact. Section 2(e) of the Executive Order directs the agencies to establish criteria to identify which regulations are significant. DOE's implementing procedures are contained in DOE Order 2030 (44 FR 1032, January 3, 1979).

Today's action will provide for a limited extension of an existing regulation. We do not expect such extension to affect important policy concerns or impose any significant additional burdens on the public. Moreover, we have determined that today's action will not be the object of much public interest, as indicated by the fact that no general objections regarding the allocation of middle distillates for mass transportation were raised in the comments received in response to the adoption and initial extension of Special Rule No. 9. Finally, we will soon be issuing a Notice of proposed rulemaking to make Special Rule No. 9 permanent and, thus, will be providing ample opportunity for public participation in determining the extent to which the continued special allocation of middle distillates for mass transportation is necessary and appropriate. In view of these considerations, we have determined that today's action to extend Special Rule No. 9 does not constitute a significant regulation as contemplated by that term in Executive Order 12044 and, therefore, that a 60-day comment period and the preparation of a regulatory analysis are not required.

F. Section 553 of the Administrative Procedure Act

Section 553(d) of the Administrative Procedure Act requires that a substantive rule not become effective less than thirty days after its publication unless the agency finds for good cause this requirement impracticable, unnecessary or contrary to the public interest and publishes this finding together with the rule. We have determined that good cause is found to waive the section 553(d) requirement since it would be contrary to the public interest to permit a situation to arise in which the availability of energy-efficient surface passenger mass transportation might be disrupted due to a lack of sufficient supplies of diesel fuel. Moreover, this requirement is not necessary since the Rule continues a program that is already in effect and on which there has been ample opportunity for comments concerning its specific provisions.

(Emergency Petroleum Allocation Act of 1973, 15 U.S.C. 751 *et seq.*, Pub. L. 93-159, as amended, Pub. L. 93-511, Pub. L. 94-99, Pub. L. 94-133, Pub. L. 94-163, and Pub. L. 94-385; Federal Energy Administration Act of 1974, 15 U.S.C. 787 *et seq.*, Pub. L. 93-275, as amended, Pub. L. 94-332, Pub. L. 94-385, Pub. L. 95-70, and Pub. L. 95-91; Energy Policy and Conservation Act, 42 U.S.C. 6201 *et seq.*, Pub. L. 94-163, as amended, Pub. L. 94-385, and Pub. L. 95-70; Department of Energy Organization Act, 42 U.S.C. 7101 *et seq.*, Pub. L. 95-91; E.O. 11790, 39 FR 23185; E.O. 12009, 42 FR 46267)

In consideration of the foregoing, Part 211 of Chapter II of Title 10 of the Code of Federal Regulations is amended as set forth below, effective October 1, 1979.

Issued in Washington, D.C., September 26, 1979.

David J. Bardin,
Administrator, Economic Regulatory
Administration.

The Appendix to Subpart A of Part 211 is amended by modifying Special Rule No. 9 to read as follows:

Appendix—Special Rule No. 9

Special Allocation of Middle Distillates for Surface Passenger Mass Transportation

1. *Scope.* Notwithstanding the provisions of paragraphs (b) and (c) of § 210.35 of Part 210 of this chapter and of paragraphs (b)(5) and (b)(6) of § 211.1 of this part, this Special Rule establishes a special allocation program for middle distillates for the months of May 1979 through January 1980.

2. *Definitions.* For purposes of this Special Rule, the relevant definitions of § 211.51 of Part 211 of this chapter shall apply, except that the following definitions shall apply:

"Base period" means the first calendar month prior to May 1979 in which a

wholesale purchaser purchased or obtained middle distillate volumes.

"Current requirements" means: (a) with respect to a wholesale purchaser-consumer or end-user, the volume of middle distillates needed by the wholesale purchaser-consumer or end-user to meet its present supply requirements for middle distillates for use in surface passenger mass transportation, but does not include any amounts which the wholesale purchaser-consumer or end-user purchases or obtains for resale or accumulates as an inventory in excess of that purchaser's customary inventory maintained in the conduct of its normal business practices; or, (b) with respect to a wholesale purchaser-reseller, the volume of middle distillates needed by the wholesale purchaser-reseller to meet its present requirements to supply middle distillates to wholesale purchaser-consumers, end-users or other wholesale purchaser-resellers for ultimate use in surface passenger mass transportation.

"Middle distillates" means any of the following, as defined in § 212.31 of Part 212 of this chapter: No. 1 heating oil, No. 1-D diesel fuel, No. 2 heating oil, No. 2-D diesel fuel and kerosene.

"Surface passenger mass transportation" means any activity in which passengers are transported by means of a commuter bus or rail system (including a metropolitan mass transit system), a school bus, a charter bus, a commuter ferry, or an intercity passenger bus or train.

3. *General Rule.* Each supplier of middle distillates shall supply all wholesale purchaser-consumers, all end-users, and all wholesale purchaser-resellers with their current requirements for middle distillates which have been certified to that supplier in accordance with the provisions of this Special Rule.

4. Certification Requirements.

(a) *End-users.* An end-user may certify to any supplier its current requirements for middle distillates for surface passenger mass transportation.

(b) *Wholesale purchaser-consumers.* A wholesale purchaser-consumer may certify to its base period supplier its current requirements for middle distillates for ultimate use in surface passenger mass transportation.

(c) *Wholesale purchaser-resellers.* A wholesale purchaser-reseller may certify to its base period supplier its current requirements for: (i) Any end user; (ii) any wholesale purchaser-consumer it supplied during the base period (in accordance with paragraph (d) of this section); (iii) any wholesale purchaser-consumer it agrees to supply under section (7); (iv) any assigned purchasers, and (v) any certification for volumes to be supplied pursuant to this Special Rule.

(d) *Purchasers with more than one base period supplier.* A purchaser or supplier which purchased or obtained middle distillates during the base period from more than one supplier may certify to each such supplier a percentage of its current requirements for surface passenger mass transportation which does not exceed the percentage of the total volumes of middle

distillates purchased or obtained by the purchaser from that supplier in the base period.

5. *Validation of Certifications.* In the event that a purchaser and its supplier cannot agree on the volume of middle distillates which the supplier is required to supply to the purchaser under this Special Rule, the purchaser may request validation of the required volume from the appropriate ERA Regional Office. From the time the supplier receives certification, the supplier shall supply the purchaser any volumes which are not in dispute. If ERA determines that the purchaser is entitled to volumes in excess of those supplied by the supplier during the period in which certification was in dispute, ERA may order the supplier to supply such increased requirements and to supply the purchaser with additional volumes of middle distillates equal to the amount the purchaser would have received if the increased requirements had been supplied during such period.

6. *Assignment of suppliers.* Any purchaser which is unable to purchase or obtain its total current requirements for ultimate use in surface passenger mass transportation may apply to the appropriate ERA Regional Office as provided in Subpart C of Part 205 of this chapter to be assigned a supplier. *Provided,* That, an end-user in a State in which there is a State Office must apply to that State Office as provided in Subpart Q of Part 205 of this chapter for the assignment of a supplier. The purchaser may be assigned one or more suppliers and the amount of its current requirements to be supplied by each supplier may be specified.

7. *Mutual agreements.* As an alternative to the procedures set forth in sections (5) and (6) of this Special Rule, a supplier of middle distillates may agree to supply that portion of the current requirements of a wholesale purchaser-consumer which has been unable to obtain the full amount of its current requirements from its base period suppliers.

8. *Normal business practices; non-discriminatory pricing.* The requirements of paragraphs (a) and (b) of § 210.62 of this chapter shall apply to suppliers to prohibit any practice or any form of discrimination (including price discrimination) which has the effect of circumventing, frustrating or impairing the objectives, purposes and intent of this Special Rule.

[FR Doc. 79-30519 Filed 10-1-79; 8:45 am]

BILLING CODE 6450-01-M

federal register

Tuesday
October 2, 1979

Part VI

Office of Management and Budget

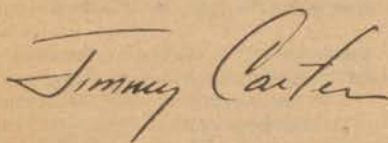
Budget Deferrals

**OFFICE OF MANAGEMENT AND
BUDGET****Budget Deferrals**

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report four new deferrals of budget authority totalling \$61.9 million and a revision to one previously transmitted deferral increasing the amount deferred by \$3.8 million. These items involve the Departments of Agriculture and Commerce and the Railroad Retirement Board.

The details of each deferral are contained in the attached reports.



The White House,
September 27, 1979.

BILLING CODE 3110-01-M

CONTENTS OF SPECIAL MESSAGE
(in thousands of dollars)

<u>Deferral No.</u>	<u>Item</u>	<u>Budget Authority</u>
	Department of Agriculture:	
	Forest Service	
D79-37A	Timber salvage sales.....	9,298
	Department of Commerce:	
	National Oceanic and Atmospheric Administration	
D79-66	Construction.....	60,000
D79-67	Fishing vessel and gear damage compensation fund.....	600
D79-68	Fishermen's contingency fund.....	300
	Other Independent Agencies:	
	Railroad Retirement Board	
D79-69	Regional rail transportation protective account.....	<u>1,000</u>
	Total, deferrals.....	71,198

SUMMARY OF SPECIAL MESSAGES
FOR FY 1979
(in thousands of dollars)

	<u>Rescissions</u>	<u>Deferrals</u>
Thirteenth special message:		
New items.....	---	61,900
Change to amount previously submitted.....	---	3,798
Effect of thirteenth special message.....	---	65,698
Previous special messages.....	<u>908,692</u>	<u>4,614,638</u>
Total amount proposed in special messages.....	908,692	4,680,336

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344

This report revises Deferral No. D79-37 transmitted to the Congress on December 7, 1978, and printed as House Document No. 96-3.

This revision to a deferral for the Department of Agriculture's timber salvage sales in the Forest Service increases the previously reported deferral from \$5,500,000 to \$9,297,732. This increase of \$3,797,732 reflects a correction to apportionment documents previously prepared. The adjustment was necessary because the actual amount of unobligated balances brought forward was \$3,797,732 higher than originally estimated.

Deferral No: 079-37A

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Agriculture	New budget authority \$ 3,000,000 (P.L. 95-465)
Bureau Forest Service	Other budgetary resources 20,025,932 *
Appropriation title & symbol Timber Salvage Sales <u>1/</u>	Total budgetary resources 23,025,932 *
12X5204	Amount to be deferred:
12X1126	Part of year \$ _____ *
	Entire year 9,297,732 *
OMB identification code: 12-5204-0-2-302	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Other _____

Justification: *The timber salvage sales fund was authorized by the National Forest Management Act of 1976 to increase the capability of the Forest Service to offer insect-infested, dead, damaged, or fallen timber for sale. Receipts from the sale of such timber are deposited in a special fund and are available until expended to cover the costs of design, engineering, and supervision of the construction of needed roads, as well as the cost to the Forest Service of sale preparation and supervision of actual harvesting.

Public Law 95-465, making appropriations for the Department of the Interior and related agencies, 1979, provided \$3 million for design and construction of roads and preparation, harvest administration and sale of salvageable timber on national forests which have not yet built up a salvage fund from receipts. In addition to these funds, estimated receipts for salvage sales are available to finance the program.

Present program plans for timber salvage sales require a resource level of \$13,728,200. The remaining \$9,297,732 is being deferred in accordance with the Antideficiency Act (31 USC 665) which authorizes the establishment of reserves for contingencies. This action is being taken because of the time lag between the deposit of receipts from salvage sales and the expenditure of funds to cover costs associated with making additional sales. Efficient program planning and accomplishment is facilitated by administering a stable program well within the funds available in any one year for this purpose.

Estimated Effects: There are no programmatic or budgetary effects that result from this deferral action. The reserve reflects the time lag between deposit of receipts from salvage sales and the expenditure of these funds to cover the costs of additional sales.

Outlay Effect: There is no outlay effect of this deferral because the funds could not be used if made available.

1/ This account was the subject of a similar deferral in FY 1978.

* Revised from previous report.

Deferral No: D79-66

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Commerce	New budget authority	\$ 60,000,000
Bureau National Oceanic and Atmospheric Administration	(P.L. 96-38)	
Appropriation title & symbol	Other budgetary resources	13,101,887
	Total budgetary resources	73,101,887
Construction 13x1452	Amount to be deferred:	
	Part of year	\$ ---
	Entire year	60,000,000
OMB identification code: 13-1452-0-1-306	Legal authority (in addition to sec. 1013):	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Antideficiency Act	
Type of account or fund:	<input type="checkbox"/> Other _____	
<input type="checkbox"/> Annual	Type of budget authority:	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input checked="" type="checkbox"/> Appropriation	
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Contract authority	
	<input type="checkbox"/> Other _____	

Justification: Public Law 96-38, enacted July 25, 1979, included a supplemental appropriation of \$60,000,000 to fund the completion of the National Oceanic and Atmospheric Administration's (NOAA) Western Regional Center in Seattle, Washington. Funds available from prior years that were withheld due to a court injunction (see deferral D79-5) and subsequently released will be sufficient to cover preliminary construction costs for the remainder of FY 1979. The supplemental appropriation will fund 1980 and 1981 construction requirements and is deferred for the remainder of FY 1979.

This deferral action is in accord with congressional intent to fully fund this project, and is taken under the provisions of the Antideficiency Act (31 U.S.C. 665).

Estimated Effect: This deferral will have no budgetary or programmatic impact.

Outlay Effect: There is no outlay effect resulting from this deferral.

Deferral No: D79-67

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Commerce	New budget authority \$ <u>1,000,000</u> (P.L. <u>96-38</u>)
Bureau National Oceanic and Atmospheric Administration	Other budgetary resources <u>---</u>
Appropriation title & symbol Fishing Vessel and Gear Damage Compensation Fund 13x5119	Total budgetary resources <u>1,000,000</u>
OMB identification code: 13-5119-0-2-376	Amount to be deferred: Part of year \$ <u>---</u> Entire year <u>600,000</u>
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification: Public Law 96-38, enacted July 25, 1979, included a supplemental appropriation of \$1,000,000 to establish the Fishing Vessel and Gear Damage Compensation Fund. This fund provides compensation to fishing vessel owners who sustain losses or damage to their gear or vessels while engaged in any fishing subject to the exclusive fishery management authority of the United States under the Fishery Conservation and Management Act of 1976, provided that the loss is attributable to any foreign vessel, its crew, fishing gear, or a natural disaster. Claims approximating the amount of the supplemental are in process at this time; however, it is now estimated that--due to the timing of enactment of supplemental funding--fewer claims can be approved for payment prior to the end of FY 1979 than was originally anticipated. The deferred funds will be used to pay the remaining claims in 1980.

This deferral action is taken in accordance with the Antideficiency Act (31 U.S.C. 665).

Estimated Effect: This deferral will have no budgetary or programmatic impact.

Outlay Effect: There is no outlay effect resulting from this deferral.

Deferral No: B79-69

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Railroad Retirement Board	New budget authority \$ 43,870,000 (P.L. 95-480; P.L. 96-38)
Bureau	Other budgetary resources 56,118,240
Appropriation title & symbol	Total budgetary resources 99,988,240
Regional rail transportation protective account 60X0110	Amount to be deferred: Part of year \$ --- Entire year 1,000,000
OMB identification code: 60-0110-0-1-604	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____
Type of account or fund: <input type="checkbox"/> Annual <input type="checkbox"/> Multiple-year _____ (expiration date) <input checked="" type="checkbox"/> No-year.	Type of budget authority: <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

Justification: The Regional Rail Reorganization Act of 1973 established a program to reimburse various organizations that provide benefits to employees adversely affected by the creation of the Midwest and Northeast rail system up to the aggregate sum of \$250 million. This program--having reached its authorized limit--will terminate on September 30, 1979, at which time a closing audit will be undertaken. To allow for any retroactive adjustments the audit may require while limiting total expenditure to the \$250 million authorized, \$1,000,000 is being deferred for the remainder of FY 1979. Any funds remaining after required audit adjustments will be expended in accordance with statutory provisions.

This deferral action is taken in accordance with the Antideficiency Act (31 U.S.C. 665).

Estimated Effect: Use of any portion of the amount deferred, including whatever sum is not required to make audit adjustments, will be delayed from one to three months.

Outlay Effect: As a result of this deferral, \$1,000,000 in outlays will be shifted from FY 1979 to FY 1980.

[FR Doc. 79-30583 Filed 10-1-79; 8:45 am]

BILLING CODE 3110-01-C