

that no detectable radioactive contamination was found. If the information submitted under this paragraph and paragraphs (d)(1) (iv) and (v) of this section is adequate, the Commission will notify the licensee in writing that the license is terminated.

(3)(i) If detectable levels of residual radioactive contamination attributable to activities conducted under the license are found, the license continues in effect beyond the expiration date, if necessary, with respect to possession of residual special nuclear material present as contamination until the Commission notifies the licensee in writing that the license is terminated. During this time the licensee is subject to the provisions of paragraph (e) of this section.

(ii) In addition to the information submitted under paragraphs (d)(1) (iv) and (v) of this section the licensee shall submit a plan for decontamination, if required, as regards residual radioactive contamination remaining at the time the license expires.

(e) Each licensee who possesses residual special nuclear material under paragraph (d)(3) of this section, following the expiration date specified in the license shall—

(1) Limit actions involving special nuclear material to those related to decontamination and other activities related to preparation for release for unrestricted use; and

(2) Continue to control entry to restricted areas until they are suitable for release for unrestricted use and the Commission notifies the licensee in writing that the license is terminated.

Dated at Bethesda, Maryland this 24th day of June 1983.

For the Nuclear Regulatory Commission,
William J. Dircks,

Executive Director for Operations.

[FR Doc. 83-19169 Filed 7-14-83; 8:45 am]

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FEDERAL RESERVE SYSTEM

12 CFR Parts 269, 269a, 269b, and 294

[Docket No. R-0462]

Policy on Labor Relations for the Federal Reserve Banks; and Policy on Labor Relations for the Board of Governors of the Federal Reserve System

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final policy statements.

SUMMARY: The Board of Governors of the Federal Reserve System has revised substantially its Policy on Unionization

and Collective Bargaining for the Federal Reserve Banks, which was adopted in 1969, to provide, with certain restrictions, for the exclusive recognition of labor organizations to represent employees of the Federal Reserve Banks. The revision changes the composition of the Federal Reserve System Labor Relations Panel, which is charged with administering the matters that are subject to collective bargaining; and eliminates the current requirement that in representation elections 60 percent of eligible voters must vote in order for a labor organization to prevail. The revision also makes additional, less significant, changes in the procedures established by the Policy and clarifies some of the Policy's language. The Board has also revised its Policy on Unionization and Collective Bargaining for the Board of Governors of the Federal Reserve System, which governs labor relations for employees of the Board. The revisions to the Federal Reserve Board Policy make that Policy comparable in substance to the revised Policy governing employees of the Federal Reserve Banks.

DATE: These Policy Statements are effective July 11, 1983.

FOR FURTHER INFORMATION CONTACT: Charles W. Wood, Assistant Director, Division of Personnel (202) 452-3660, John R. Weis, Assistant Director, Division of Personnel (202) 452-3435, Richard M. Ashton, Assistant General Counsel (202) 452-3750, Legal Division, Jennifer J. Johnson, Senior Counsel (202) 452-3584, Legal Division, Board of Governors of the Federal Reserve System.

SUPPLEMENTARY INFORMATION: Pursuant to its statutory authority to exercise general supervision over the twelve regional Federal Reserve Banks that are part of the Federal Reserve System, the Board has issued a Policy on Unionization and Collective Bargaining for the Federal Reserve Banks (the "Reserve Bank Policy"), which provides for the exclusive recognition of a labor organization, within certain restrictions, to represent employees of a Reserve Bank.

The revision effects substantial changes in three major aspects of the Reserve Bank Policy. The current Policy provides for the establishment of the Federal Reserve System Labor Relations Panel, which is authorized to issue rules to implement the Policy and to serve as the final decisional authority in disputes in individual cases that arise under the Policy. Under the present Policy, the System Panel is comprised of two members of the Board and one person chosen from the public. The revised

Policy provides for a Panel consisting of two public members and one Board member. The revised Policy further provides that the public members of the Panel shall serve for a fixed term and may be removed from office only upon notice and hearing, and only for neglect of duty or malfeasance in office.

Second, the revision makes certain changes with respect to the matters that may be bargained about by a Reserve Bank and an exclusive representative. Section 269.3(b) of the current Policy requires a Reserve Bank to negotiate with a recognized labor organization concerning personnel policies and working conditions but not with respect to specific designated areas of discretion and policy of the Reserve Bank, such as its purposes and functions or the compensation of its employees. Section 269.7(a)(2) of the current Policy, governing the content of collective bargaining agreements, provides that the management of a Reserve Bank retains certain designated management rights, e.g., the right to hire employees. The revised Policy incorporates the list of non-negotiable topics and designated management rights, which are also clearly non-negotiable, into a single provision expressly listing all matters concerning which negotiation is not required.

The list of non-negotiable items in the revised Policy is generally the same as the matters determined in the current Policy to be not subject to bargaining or to be management rights. The revision adds a provision stating that a Reserve Bank shall upon request discuss, but shall not be required to negotiate with respect to, the procedures followed by a Reserve Bank in exercising the management rights designated in the Policy. The revised provision allows a Reserve Bank to elect to negotiate with regard to procedures for implementing management rights.

Third, the revision modifies the required showing of support a labor organization must obtain in a representation election in order to be recognized. As currently written, the Policy provides that a labor organization is recognized if a majority of the employees in the bargaining unit vote in favor of the union and if 60 percent of employees in the unit eligible to vote actually vote. This provision is revised to adopt the usual rule in unionization elections: the labor organization is recognized if a majority of employees in the unit voting select the labor organization. The proposal also modifies the required showing necessary to revoke the recognition of a labor organization.

The revision makes a number of other changes in the procedures to be followed by labor organizations in seeking representation of Reserve Bank employees. For example, in cases where a labor organization has made the requisite showing necessary to obtain a representation election, the revised Policy provides for the creation of a three-member Special Tribunal, composed of a representative of the Reserve Bank, a representative of the labor organization, and an independent arbitrator chosen from a list provided by the American Arbitration Association. The Special Tribunal would be authorized to determine, subject to appeal to the System Panel, the appropriate bargaining unit and to resolve election disputes.

The revision also adds a new section to the Policy providing for the assistance of an independent mediator upon request in the event of an impasse in negotiations for a collective bargaining agreement. In response to comments received from the Federal Mediation and Conciliation Service, this provision has been revised to delete the requirement that the American Arbitration Association appoint a neutral mediator to assist the parties to resolve the impasse. This revision permits the parties to select mediators through the American Arbitration Association, the Federal Mediation and Conciliation Service or any other recognized organization or individual that provides such services. The new provision replaces regulations issued by the System Panel concerning bargaining impasses (12 CFR Part 294), which have been removed. The regulations issued by the System Panel with respect to unfair labor practice procedures (12 CFR Parts 290, 292) are hereby adopted as regulations of the Board.

The revision also eliminates the existing requirement that arbitration of grievances pursuant to a collective bargaining agreement be advisory in nature, and provides that arbitration may extend only to grievances that involve interpretation of a labor agreement and may be invoked only by a labor organization.

The Board has revised its Policy on Unionization and Collective Bargaining for the Board of Governors of the Federal Reserve System, governing labor relations for Board employees. The revision incorporates the revisions made to the Policy covering employees of the Reserve Banks. Some of the revisions made to the Reserve Bank Policy, such as modifying the composition of the governing panel, are already contained in the current Policy covering Board

employees. The changes to the Board Policy make the two Policies substantially the same in all material respects.

The proposed policies were published for comment on April 26, 1983. The Board received three comments on the proposed revisions to the policies. One comment favored the proposed revisions. Another comment expressed opposition to the proposed revisions and indicated that the revisions would "stack the deck" in favor of union representation and disregard the rights of those employees who do not desire union representation. The Board does not believe that the revisions unduly disadvantage employees not desiring union representation, since the revisions merely bring the System's policies more into line with those applying in the public and private sectors generally. The third comment, which was from the Federal Mediation and Conciliation Service, is discussed above.

Lists of Subjects in 12 CFR Part 269

Federal Reserve System, Labor-management relations, Labor organizations.

1. The Board hereby revises Part 269 to read as follows:

PART 269—POLICY ON LABOR RELATIONS FOR THE FEDERAL RESERVE BANKS

Sec.

- 269.1 Definition of a labor organization.
- 269.2 Membership in a labor organization.
- 269.3 Recognition of a labor organization and its relationship to a Federal Reserve Bank.
- 269.4 Determinations of appropriate bargaining unit.
- 269.5 Elections.
- 269.6 Unfair labor practices.
- 269.7 Approval of agreement and required contents.
- 269.8 Grievance procedures.
- 269.9 Mediation of Negotiation Impasses.
- 269.10 Time for internal labor organization business, consultations, and negotiations.
- 269.11 Federal Reserve System Labor Relations Panel.
- 269.12 Amendment.

Authority: Sec. 11, 38 Stat. 261; 12 U.S.C. 248.

§ 269.1 Definition of a labor organization.

When used in this part, the term "labor organization" means any lawful organization of any kind, or any employee representation group, which exists for the purpose, in whole or in part, of dealing with any Federal Reserve Bank concerning grievances, personnel policies and practices, or other matters affecting the working conditions of its employees, but the term shall not include any organization: (a)

Which asserts the right to strike against the government of the United States, the Board of Governors of the Federal Reserve System, or any Federal Reserve Bank, or to assist or participate in any such strike, or which imposes a duty or obligation to conduct, assist or participate in any such strike; or (b) which fails to agree to refrain from seeking or accepting support from any organization which employs coercive tactics affecting any Federal Reserve Bank's operations; or (c) which advocates the overthrow of the constitutional form of the government of the United States; or (d) which discriminates with regard to the terms or conditions of membership because of race, color, sex, creed, age or national origin.

§ 269.2 Membership in a labor organization.

(a) Any employee of a Federal Reserve Bank (hereinafter referred to as "Bank") is free to join and assist any existing labor organization or to participate in the formation of a new labor organization, or to refrain from any such activities except that officers and their administrative or confidential assistants, managers and other supervisory personnel, secretaries to all such persons and all employees engaged in Bank personnel work shall not be represented by any labor organization.

(b) The rights described in paragraph (a) of this section for employees do not extend to participation in the management of a labor organization, or acting as a representative of any such organization, where such participation or activity would conflict with law or the duties of an employee.

(c) Notwithstanding anything stated in paragraph (a) of this section, professional employees of a Bank shall not be represented by a labor organization which represents other employees of the Bank unless a majority of the professional employees eligible to vote specifically elect to be represented by such labor organization. However, the professional employees of a Bank may, if they so choose, be represented by a separate labor organization of their own, or by no labor organization at all.

(d) Notwithstanding anything stated in paragraph (a) of this section, the guards of a Bank shall not be members of a labor organization which represents other categories of employees of the Bank. However, the guards of a Bank may, if they so choose, be represented by a separate labor organization of their own, or by no labor organization at all.

§ 269.3 Recognition of a labor organization and its relationship to a Federal Reserve Bank.

(a) Any labor organization shall be recognized as the exclusive bargaining representative of the employees in an appropriate unit of a Bank when that organization has been selected by the employees in said unit pursuant to the procedure set forth in § 269.5. A unit may be established in a Bank on any basis which will ensure a clear and identifiable community of interest among the employees concerned, and will promote effective relationships and the efficiency of the Bank's operations, but no unit shall be established solely on the basis of the extent to which a labor organization or employees in the proposed unit may have sought organization.

(b) When a labor organization has been recognized as the exclusive representative of employees in an appropriate unit, it shall be entitled to act for and to negotiate agreements in good faith covering all employees in the unit, and it shall be responsible for representing the interests of all such employees without discrimination and without regard to whether they are members of that labor organization or not, provided that nothing in this Policy shall prevent an employee from adjusting his or her grievance without the intervention of the recognized labor organization. The labor organization shall be given notice of the adjustment and a reasonable opportunity to object on the sole ground that it is in conflict with the terms of the collective bargaining agreement.

(c) A Bank, through appropriate officials, shall have the obligation to meet at reasonable times with representatives of a recognized labor organization to negotiate, in good faith, with respect to personnel policies and practices affecting working conditions for employees, provided that they do not involve matters in any of the following areas:

(1) the purposes and functions of the Bank; the compensation of and hours worked by employees; any classification system used to evaluate positions; the budget of the Bank; the retirement system; any insurance or other benefit plans; internal security operations; maintenance of the efficiency of Bank operations including the determination of work methods; the right to contract out; the determination as to manpower requirements; use of technology and organization of work; and action to meet emergency situations;

(2) management rights as to the direction of employees, including hiring, promotion, transfer, classification,

assignment, layoffs, retention, suspension, demotion, discipline and discharge, provided that on matters involving the procedures to be followed by a Bank for the exercise of its rights under this subparagraph, a Bank shall, upon request, discuss such procedures with a recognized labor organization, but shall not be required to negotiate for an agreement as to them;

(3) all Bank matters specifically governed by applicable laws or regulations.

The obligation under this paragraph to negotiate with regard to certain matters shall include the execution of a written contract incorporating any agreement reached, but does not compel either a Bank or a labor organization to agree to a particular proposal or to make any concession during such negotiations.

(d) At the time it requests an election to be held, any labor organization seeking recognition shall submit to a Bank a roster of its officers and representatives, a copy of its constitution and bylaws, and a statement of its objectives.

(e) Subject to the provisions of § 269.8, the exclusive recognition of a labor organization shall not preclude any employee, regardless of labor organization membership, from bringing matters of personal concern not governed by a collective bargaining agreement to the attention of appropriate officers, managers or supervisory personnel in accordance with applicable law, rule, regulation, or established Bank policy, or from choosing his or her own representative in such matters.

§ 269.4 Determination of appropriate bargaining unit.

(a) If a labor organization asserts in writing to a Bank that it holds cards requesting a representation election signed by at least thirty percent (30%) of the employees in a unit which that organization considers to be an appropriate bargaining unit, the labor organization and the Bank shall each designate a representative who together shall request the American Arbitration Association (hereinafter referred to as "Association") to submit to them from its National Panel of Professional Labor Arbitrators a list of seven (7) impartial, qualified professional arbitrators. The two designated representatives shall meet promptly and, by alternately striking names from the list, arrive at the remaining person who, together with the two representatives, shall constitute a Special Tribunal to rule on the labor organization's request for an election. The impartial arbitrator shall always act as the Chairperson of any Special

Tribunal duly constituted under this Section.

(b) In the absence of an agreement between the labor organization and the Bank on the appropriate unit, the Tribunal shall investigate the facts, hold hearings if necessary, and issue a decision as to the appropriateness of the unit for the purposes of conducting a representation election for exclusive recognition and as to related issues submitted for consideration. The expenses for this proceeding, including the fees of the association and of the arbitrator, shall be borne equally by the labor organization and the Bank. If either the Bank or the labor organization should disagree with the Special Tribunal's decision, the party in disagreement may appeal within thirty (30) calendar days to the Federal Reserve System Labor Relations Panel referred to in § 269.11, and the decision of the System Panel shall be final and binding on the parties.

(c) If there is any dispute as to whether a labor organization holds cards signed by at least thirty percent (30%) of the employees in a unit claimed by a labor organization as appropriate or subsequently determined by the Special Tribunal as appropriate, the dispute shall be resolved by the Chairperson of the Special Tribunal, acting as a single impartial arbitrator. The expenses of such procedure, including the impartial arbitrator's fee, shall be borne equally by the labor organization and the Bank. The decision of the Chairperson of the Special Tribunal shall be final and binding and shall not be subject to appeal to the Federal Reserve System Labor Relations Panel.

§ 269.5 Elections.

(a) Once there has been a final determination of the existence of an appropriate bargaining unit under the procedure in Section 269.4, and a showing by a labor organization that it has cards signed by at least thirty percent (30%) of the employees in such unit requesting a representation election, an election shall be ordered by the Special Tribunal. A labor organization shall be recognized as the exclusive bargaining representative of the unit if it is selected by a majority of the employees in the unit actually voting.

(b) The election shall be held under the auspices of the Association and shall be subject to its election rules and regulations. However, if there should be any conflict between such rules and regulations and the provisions of this Policy, the latter shall prevail. The fees

charged by the Association for its election service shall be borne equally by the labor organization and the Bank.

(c) An election to determine whether a labor organization should continue as the exclusive bargaining representative of a particular unit shall be held when requested by a petition or other bona fide showing by at least thirty percent (30%) of the employees of that unit. Any dispute as to whether thirty percent (30%) of the employees requested such an election shall be resolved by the same procedure as that set forth in § 269.4(b). The election shall be held under the auspices of the Association in the same manner described in paragraph (b) of this section. The recognition of a labor organization as the exclusive bargaining representative of a unit shall be revoked if a majority of the employees in the unit who actually vote signify approval of such revocation.

(d) Only one election may be held in any unit in a twelve (12) month period to determine whether a labor organization should become, or continue to be recognized as, the exclusive representative of the employees in that unit.

(e) Upon receipt of a request for an election from a labor organization under § 269.4(a), it shall be incumbent on the Bank, labor organization and all others to refrain from any conduct, action or policy that interferes with or restrains employees from making a fair and free choice in selecting or rejecting a bargaining representative consistent with the right of the Bank, labor organization or employees to exercise privileges of free speech in the expression of any views, argument or opinion, or the dissemination thereof, whether in oral, written, printed, graphic or visual form.

(f) The Special Tribunal shall hear and decide any post-election objections of a Bank or labor organization filed with it claiming that a violation of paragraph (e) of this section has improperly affected the outcome of the election. Such objections must be filed with the Special Tribunal no later than five (5) business days after the date of election. In the event of such violation by a Bank, labor organization or other individuals or organizations which the Special Tribunal finds sufficient to have prejudiced the outcome of an election, appropriate remedial action shall be taken in the form of setting aside the election results and ordering a new election, provided, however, that an appeal from the order of the Special Tribunal may be taken within thirty (30) calendar days to the Federal Reserve System Labor Relations Panel by either the affected Bank or labor organization.

The ruling of the System Panel shall be final and binding. Neither the Special Tribunal nor the Federal Reserve System Labor Relations Panel shall have the authority to direct a Bank to recognize a labor organization as the exclusive collective bargaining representative without a valid election being held in which a majority of the employees actually voting have so designated such labor organization.

(g) The Special Tribunal and the Federal Reserve System Labor Relations Panel will adhere to any rules and regulations promulgated by the Board of Governors for the administration of the provisions of paragraphs (e) and (f) of this section.

§ 269.6 Unfair labor practices.

(a) It shall be an unfair labor practice for a Bank to: (1) interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in § 269.2(a); (2) dominate or interfere with the formation or administration of any labor organization, or to contribute financial or other support to it; (3) encourage or discourage membership in any labor organization by discrimination in regard to hire or tenure of employment or any term or condition of employment; (4) refuse to bargain collectively with the representatives of its employees subject to the provisions of § 269.3 (b) and (c).

(b) It shall be an unfair labor practice for a labor organization, its agents or representatives to: (1) Restrain or coerce employees in the exercise of the rights guaranteed in § 269.2(a); (2) cause or attempt to cause a Bank to Discriminate against an employee in violation of paragraph (a)(3) of this Section; (3) refuse to bargain collectively with a Bank, provided the labor organization is the exclusive representative of a unit of employees.

(c) Notwithstanding anything previously stated in this Section, the expression of any view, argument or opinion, or the dissemination thereof, whether in oral, written, printed, graphic or visual form, shall not constitute or be evidence of an unfair labor practice, if such expression contains no threat of reprisal or force, or promise of benefit.

(d) The Federal Reserve System Labor Relations Panel will adhere to the rules and regulations promulgated by the Board of Governors for the prevention and remedy of the unfair labor practices listed herein.

§ 269.7 Approval of agreement and required contents.

Any agreement entered into with a labor organization as the exclusive representative of employees in a unit must be approved by the President of

the Bank or a designated officer representative. All agreements with labor organizations shall also be subject to the requirement that the administration of all matters covered by the agreement shall be governed by the provisions of applicable laws and Federal Reserve System rules and regulations, and the agreement shall at all times be applied subject to such laws and regulations.

§ 269.8 Grievance procedures.

(a) Subject to the provisions of § 269.3(b), an agreement entered into with a labor organization as the exclusive representative of employees in a unit may contain a grievance procedure, applicable only to employees in such unit and which shall be the exclusive means for a labor organization and/or an employee to obtain resolution of a grievance arising under such agreement.

(b) Grievance procedures established by a labor agreement may also include provisions for arbitration of unresolved grievances by a tripartite panel under the Voluntary Labor Arbitration Rules of the Association with the impartial arbitrator selected by the Bank and labor organization representatives on the arbitration panel to be the Chairperson. In such event, arbitration shall extend only to grievances which involve the interpretation and application of specific provisions of a labor agreement and not to any other matters or to changes in or proposed changes in the agreement. Arbitration may only be invoked by labor organization on behalf of individual employees with their concurrence.

§ 269.9 Mediation of negotiation impasses.

In the event of an impasse in negotiations between the parties for a collective bargaining agreement, either the labor organization or the Bank may request the appointment of a qualified neutral person as a mediator to assist the parties in attempting to resolve the impasse. The parties will meet promptly with the mediator, and all matters discussed, as well as any documents submitted, shall not be publicly divulged for any reason. The cost of the mediator shall be borne equally by the parties.

§ 269.10 Time for internal labor organization business, consultations and negotiations.

Solicitation of memberships, dues or other internal labor organization business shall be conducted during the nonduty hours of the employees concerned. Officially requested or approved consultation between management executives and

representatives of a labor organization shall, whenever practicable, be conducted on official time, but the President or a duly authorized officer of a Bank may require that negotiations with a labor organization be conducted during the nonduty hours of the Bank.

§ 269.11 Federal Reserve System Labor Relations Panel.

There shall be established a Federal Reserve System Labor Relations Panel, which shall consist of three members: one member of the Board of Governors of the Federal Reserve System, who shall be Chairperson of the Panel, and two public members. Each member shall be selected by the Board of Governors; provided, however, that the public members shall not have any present or past affiliation with the Federal Reserve System. Initially, one of the two public members shall be appointed for a term of two years, and the other for a term of three years. Thereafter, each public member shall be appointed for a term of three years, except that in the case of an unexpired term of a former member, the successor shall be appointed to fill such unexpired term. Upon the expiration of their term of office, public members may continue to serve until their successors are appointed and have qualified. A public member may be removed by the Board only upon notice and hearing, and only for neglect of duty or malfeasance in office. The Panel shall be responsible for the duties assigned to it as set forth in this Policy.

§ 269.12 Amendment.

This policy may be amended upon appropriate legal notice to all Federal Reserve Banks and labor organizations recognized, or seeking recognition, at any such Bank under this Policy. In no instance shall an amendment be applied retroactively.

PART 290—[REDESIGNATED AS PART—269a]

PART 292—[REDESIGNATED AS PART—269b]

PART 294—[REMOVED]

2. Part 290 is redesignated as Part 269a and the internal references are redesignated accordingly. Part 292 is redesignated Part 269b and the internal references are redesignated accordingly. Part 294 is hereby removed. The authority citations for redesignated Parts 269a and 269b read as follows:

Authority: Sec. 11, 38 Stat. 261; 12 U.S.C. 248.

3. The Board hereby revises its Policy on Collective Bargaining for the Board of

Governors of the Federal Reserve System to read as follows:

Policy on Labor Relations for the Board of Governors of the Federal Reserve System

Sec.

- 1 Definition of a labor organization.
- 2 Membership in a labor organization.
- 3 Recognition of a labor organization and its relationship to the Board.
- 4 Determination of appropriate bargaining unit.
- 5 Elections.
- 6 Unfair labor practices.
- 7 Approval of agreement and required contents.
- 8 Grievance procedures.
- 9 Mediation of Negotiation Impasses.
- 10 Time for internal labor organization business, consultations, and negotiations.
- 11 Federal Reserve System Labor Relations Panel.
- 12 Amendment.

Section 1 Definition of a Labor Organization

When used in this part, the term "labor organization" means any lawful organization of any kind, or any employee representation group, which exists for the purpose, in whole or in part, of dealing with the Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") concerning grievances, personnel policies and practices, or other matters affecting the working conditions of its employees, but the term shall not include any organization: (a) which asserts the right to strike against the government of the United States, the Board of Governors of the Federal Reserve System, or any Federal Reserve Bank, or to assist or participate in any such strike, or which imposes a duty or obligation to conduct, assist or participate in any such strike; or (b) which fails to agree to refrain from seeking or accepting support from any organization which employs coercive tactics affecting the Board's operation; or (c) which advocates the overthrow of the constitutional form of government of the United States; or (d) which discriminates with regard to the terms or conditions of membership because of race, color, sex, creed, age or national origin.

Section 2 Membership in a Labor Organization

(a) Any employee of the Board is free to join and assist any existing labor organization or to participate in the formation of a new labor organization, or to refrain from any such activities except that officials and their administrative or confidential assistants, managers and other supervisory personnel, secretaries to all such persons and to members of the Board, and all employees engaged in the Board's personnel work shall not be represented by any labor organization.

(b) The rights described in paragraph (a) of this Section for employees do not extend to participation in the management of a labor organization, or acting as a representative of any such organization, where such participation or activity would conflict with law or the duties of an employee.

(c) Notwithstanding anything stated in paragraph (a) of this Section, professional

employees of the Board shall not be represented by a labor organization which represents other employees of the Board unless a majority of the professional employees eligible to vote specifically elect to be represented by such labor organization. However, the professional employees of the Board may, if they so choose, be represented by a separate labor organization of their own, or by no labor organization at all.

(d) Notwithstanding anything stated in paragraph (a) of this Section, the guards of the Board shall not be members of a labor organization which represents other categories of employees of the Board. However, the guard of the Board may, if they so choose, be represented by a separate labor organization of their own, or by no labor organization at all.

Section 3 Recognition of a Labor Organization and its Relationship to the Board

(a) Any labor organization shall be recognized as the exclusive bargaining representative of the employees in an appropriate unit of the Board when that organization has been selected by the employees in said unit pursuant to the procedure set forth in Section 5. A unit may be established on any basis which will ensure a clear and identifiable community of interest among the employees concerned, and will promote effective relationships and the efficiency of the Board's operations, but no unit shall be established solely on the basis of the extent to which a labor organization or employees in the proposed unit may have sought organization.

(b) When a labor organization has been recognized as the exclusive representative of employees in an appropriate unit, it shall be entitled to act for and to negotiate agreements in good faith covering all employees in the unit, and it shall be responsible for representing the interests of all such employees without discrimination and without regard to whether they are members of the labor organization or not, provided that nothing in this Policy shall prevent an employee from adjusting his or her grievance without the intervention of the recognized labor organization. The labor organization shall be given notice of the adjustment and a reasonable opportunity to object on the sole ground that it is in conflict with the terms of the collective bargaining agreement.

(c) The Board, through appropriate representatives, shall have the obligation to meet at reasonable times with representatives of a recognized labor organization to negotiate, in good faith, with respect to personnel policies and practices affecting working conditions for employees, provided that they do not involve matters in any of the following areas:

(i) the purposes and functions of the Board; the compensation of and hours worked by employees; any classification system used to evaluate positions; the budget of the Board; the retirement system; any insurance or other benefit plans; internal security operations; maintenance of the efficiency of Board operations including the determination of

work methods; the right to contract out; the determination as to manpower requirements; use of technology and organization of work; and action to meet emergency situations:

(ii) management rights as to the direction of employees, including hiring, promotion, transfer, classification, assignment, layoffs, retention, suspension, demotion, discipline and discharge, provided that on matters involving the procedures to be followed by the Board for the exercise of its rights under this subparagraph, the Board shall upon request discuss such procedures with a recognized labor organization, but shall not be required to negotiate for an agreement as to them;

(iii) all Board matters specifically governed by applicable laws or regulations.

The obligation under this paragraph to negotiate with regard to certain matters shall include the execution of a written contract incorporating any agreement reached, but does not compel either the Board or a labor organization to agree to a particular proposal or to make any concession during such negotiations.

(d) At the time it requests an election to be held, any labor organization seeking recognition shall submit to the Board a roster of its officers and representatives, a copy of its constitution and bylaws, and a statement of its objectives.

(e) Subject to the provisions of Section 8, the exclusive recognition of a labor organization shall not preclude any employee, regardless of labor organization membership, from bringing matters of personal concern not governed by a collective bargaining agreement to the attention of appropriate officers, managers or supervisory personnel in accordance with applicable law, rule, regulation, or established Bank policy, or from choosing his or her own representative in such matters.

Section 4 Determination of Appropriate Bargaining Unit

(a) If a labor organization asserts in writing to the Board that it holds cards requesting a representation election signed by at least thirty percent (30%) of the employees in a unit which that organization considers to be an appropriate bargaining unit, the labor organization and the Board shall each designate a representative who together shall request the American Arbitration Association (hereinafter referred to as "Association") to submit to them from its National Panel of Professional Labor Arbitrators a list of seven (7) impartial, qualified professional arbitrators. The two designated representatives shall meet promptly and, by alternatively striking names from the list, arrive at the remaining person who, together with the two representatives, shall constitute a Special Tribunal to rule on the labor organization's request for an election. The impartial arbitrator shall always act as the Chairperson of any Special Tribunal duly constituted under this Section.

(b) In the absence of an agreement between the labor organization and the Board on the appropriate unit, the Tribunal shall investigate the facts, hold hearings if necessary, and issue a decision as to the appropriateness of the unit for purposes of

conducting a representation election for exclusive recognition and as to related issues submitted for consideration. The expenses for this proceeding, including the fees of the Association and of the arbitrator, shall be borne equally by the labor organization and the Board. If either the Board or the labor organization should disagree with the Special Tribunal's decision, the party in disagreement may appeal within thirty (30) calendar days to the Federal Reserve System Labor Relations Panel referred to in Section 11, and the decision of the Board Panel shall be final and binding on the parties.

(c) If there is any dispute as to whether a labor organization holds cards signed by at least thirty percent (30%) of the employees in a unit claimed by a labor organization as appropriate or subsequently determined by the Special Tribunal as appropriate the dispute shall be resolved by the Chairperson of the Special Tribunal, acting as a single impartial arbitrator. The expenses of such procedure, including the impartial arbitrator's fee, shall be borne equally by the labor organization and the Board. The decision of the Chairperson of the Special Tribunal shall be final and binding and shall not be subject to appeal to the Federal Reserve System Labor Relations Panel.

Section 5 Elections

(a) Once there has been a final determination of the existence of an appropriate bargaining unit under the procedure in Section 4, and a showing by a labor organization that it has cards signed by at least thirty percent (30%) of the employees in such a unit requesting a representation election, an election shall be ordered by the Special Tribunal. A labor organization shall be recognized as the exclusive bargaining representative of the unit if it is selected by a majority of the employees in the unit actually voting.

(b) The election shall be held under the auspices of the Association and shall be subject to its election rules and regulations. However, if there should be any conflict between such rules and regulations and the provisions of this Policy, the latter shall prevail. The fees charged by the Association for its election service shall be borne equally by the labor organization and the Board.

(c) An election to determine whether a labor organization should continue as the exclusive bargaining representative of a particular unit shall be held when requested by a petition or other bona fide showing by at least thirty percent (30%) of the employees of that unit. Any dispute as to whether thirty percent (30%) of the employees requested such an election shall be resolved by the same procedure as that set forth in Section 4(b). The election shall be held under the auspices of the Association in the same manner described in paragraph (b) of this Section. The recognition of a labor organization as the exclusive bargaining representative of a unit shall be revoked if a majority of the employees in the unit who actually vote signify approval of such revocation.

(d) Only one election may be held in any unit in a twelve (12) month period to determine whether a labor organization

should become, or continue to be recognized as, the exclusive representative of the employees in that unit.

(e) Upon receipt of a request for an election from a labor organization under Section 4(a), it shall be incumbent on the Board, labor organization and all others to refrain from any conduct, action or policy that interferes with or restrains employees from making a fair and free choice in selecting or rejecting a bargaining representative consistent with the right of the Board, labor organization or employees to exercise privileges of free speech in the expression of any views, argument or opinion, or the dissemination thereof, whether in oral, written, printed, graphic or visual form.

(f) The Special Tribunal shall hear and decide any post-election objections of the Board or labor organization filed with it claiming that a violation of paragraph (e) of this Section has improperly affected the outcome of the election. Such objections must be filed with the Special Tribunal no later than five (5) business days after the date of election. In the event of such violation by the Board, labor organization or other individuals or organizations which the Special Tribunal finds sufficient to have prejudiced the outcome of an election, appropriate remedial action shall be taken in the form of setting aside the election results and ordering a new election, provided, however, that an appeal from the order of the Special Tribunal may be taken within thirty (30) calendar days to the Federal Reserve System Labor Relations Panel by either the Board or the affected labor organization. The ruling of the Board Panel shall be final and binding. Neither the Special Tribunal nor the Federal Reserve System Labor Relations Panel shall have the authority to direct the Board to recognize a labor organization as the exclusive collective bargaining representative without a valid election being held in which a majority of the employees actually voting have so designated such labor organization.

(g) The Special Tribunal and the Federal Reserve System Labor Relations Panel will adhere to any rules and regulations promulgated by the Board of Governors for the administration of the provisions of paragraphs (e) and (f) of this Section.

Section 6 Unfair Labor Practices

(a) It shall be an unfair labor practice for the Board to: (1) interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in Section 2(a); (2) dominate or interfere with the formation or administration of any labor organization, or to contribute financial or other support to it; (3) encourage or discourage membership in any labor organization by discriminations in regard to hire or tenure of employment or any term or condition of employment; (4) refuse to bargain collectively with the representative of its employees subject to the provisions of Section 3(b) and (c).

(b) It shall be an unfair labor practice for a labor organization, its agents or representatives to: (1) restrain or coerce employees in the exercise of the rights guaranteed in Section 2(a); (2) cause or attempt to cause the Board to discriminate

against an employee in violation of paragraph (a)(3) of this Section; (3) refuse to bargain collectively with the Board, provided the labor organization is the exclusive representative of a unit of employees.

(c) Notwithstanding anything previously stated in this Section, the expression of any view, argument or opinion, or the dissemination thereof, whether in oral, written, printed, graphic or visual form, shall not constitute or be evidence of an unfair labor practice, if such expression contains no threat of reprisal or force, or promise of benefit.

(d) The Federal Reserve System Labor Relations Panel will adhere to the rules and regulations promulgated by the Board of Governors for the prevention and remedy of the unfair labor practices listed herein.

Section 7 Approval of Agreement and Required Contents

Any agreement entered into with a labor organization as the exclusive representative of employees in a unit must be approved by the Board of Governors or a designated representative. All agreements with labor organizations shall also be subject to the requirement that the administration of all matters covered by the agreement shall be governed by the provisions of applicable laws and Board rules and regulations, and the agreement shall at all times be applied subject to such laws and regulations.

Section 8 Grievance Procedures

(a) Subject to the provisions of Section 3(b), an agreement entered into with a labor organization as the exclusive representative of employees in a unit may contain a grievance procedure, applicable only to employees in such unit and which shall be the exclusive means for a labor organization and/or an employee to obtain resolution of a grievance arising under such agreement.

(b) Grievance procedures established by a labor agreement may also include provisions for arbitration of unresolved grievances by a tripartite panel under the Voluntary Labor Arbitration Rules of the Association with the impartial arbitrator selected by the Board and the labor organization representatives on the arbitration panel to be the Chairperson. In such event, arbitration shall extend only to grievances which involve the interpretation and application of specific provisions of a labor agreement and not to any other matters or to changes in or proposed changes in the agreement. Arbitration may only be invoked by a labor organization on behalf of individual employees with the concurrence.

Section 9 Mediation of Negotiation Impasses

In the event of an impasse in negotiations between the parties for a collective bargaining agreement, either the labor organization or the Board may request the appointment of a qualified neutral person as a mediator to assist the parties in attempting to resolve the impasse. The parties will meet promptly with the mediator, and all matters discussed, as well as any documents submitted, shall not be publicly divulged for any reason. The cost of the mediator shall be borne equally by the parties.

Section 10 Time for Internal Organization Business, Consultations and Negotiations

Solicitation of memberships, dues or other internal labor organization business shall be conducted during the nonduty hours of the employees concerned. Officially requested or approved consultation between management executives and representative of a labor organization shall, whenever practicable, be conducted on official time, but the Director of the Division of Personnel, or a duly authorized representative, may require that negotiations with a labor organization be conducted during the nonduty hours of the Board.

Section 11 Federal Reserve System Labor Relations Panel

There shall be established a Federal Reserve System Labor Relations Panel, which shall consist of three members: one member of the Board of Governors of the Federal Reserve System, who shall be Chairperson of the Panel, and two public members. Each member shall be selected by the Board of Governors; provided, however, that the public members shall not have any present or past affiliation with the Federal Reserve System. Initially, one of the two public members shall be appointed for a term of two years, and the other for a term of three years. Thereafter, each public member shall be appointed for a term of three years except that in the case of an unexpired term of a former member, the successor shall be appointed to fill such unexpired term. Upon the expiration of their term of office, public members may continue to serve until their successors are appointed and have qualified. A public member may be removed by the Board only upon notice and hearing, and only for neglect of duty or malfeasance in office. The Panel shall be responsible for the duties assigned to it as set forth in this Policy.

Section 12 Amendment

This policy may be amended upon appropriate legal notice to all labor organizations recognized, or seeking recognition, under this Policy. In no instance shall amendment be applied retroactively.

By order of the Board of Governors of the Federal Reserve System, July 11, 1983.

William W. Wiles,

Secretary of the Board.

[FR Doc. 83-19068 Filed 7-14-83; 8:45 am]

BILLING CODE 6210-01-M

12 CFR Part 270

Federal Open Market Committee; Open Market Operations of Federal Reserve Banks

AGENCY: Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Federal Open Market Commission amended its regulation relating to open market operations of Federal Reserve Banks by removing existing § 270.4(d) and redesignating the remaining paragraph as § 270.4(d). The

section had authorized Federal Reserve Banks, under certain circumstances, to purchase securities directly from the U.S. Treasury. Over the years, the legislative authority on which § 270.4(d) is based has been enacted by Congress for limited periods and has occasionally been allowed to lapse prior to its renewal. The most recent renewal was approved on June 8, 1979 for a two-year period ending June 8, 1981. Since the latter date, therefore, the authority has been in a state of *de facto* suspension. The action to remove § 270.4(d) was taken to update the regulation in light of the time elapsed since the authority had expired, and the apparent absence of efforts to secure new legislation to reinstate the authority.

EFFECTIVE DATE: March 28, 1983.

FOR FURTHER INFORMATION CONTACT: Normand R. V. Bernard, Assistant Secretary of the Federal Open Market Committee (202/452-3606), Office of Staff Director for Monetary and Financial Policy, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION:

List of Subjects in 12 CFR Part 270

Federal Open Market Committee, Foreign currencies, Securities.

PART 270—[AMENDED]

§ 270.4 [Amended]

Pursuant to its authority under sections 12A and 14 of the Federal Reserve Act (12 U.S.C. 263, 355), the Open Market Committee amends § 270.4 by removing paragraph (d), and redesignating paragraph (e) as paragraph (d).

By order of the Federal Open Market Committee, July 7, 1983.

Stephen H. Axilrod,

Secretary.

[FR Doc. 83-19069 Filed 7-14-83; 8:45 am]

BILLING CODE 6210-01-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 271

[Docket No. RM79-76-186 (Colorado—35); Order No. 313]

High-Cost Gas Produced From Tight Formations; Colorado

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule.

SUMMARY: The Federal Energy Regulatory Commission is authorized by section 107(c)(5) of the Natural Gas Policy Act of 1978 to designate certain types of natural gas as high-cost gas where the Commission determined that the gas is produced under conditions which present extraordinary risks or costs. Under section 107(c)(5), the Commission issued a final regulation designating natural gas produced from tight formations as high-cost gas which may receive an incentive price (18 CFR 271.703). This rule established procedures for jurisdictional agencies to submit to the Commission recommendations of areas for designation as tight formations. This final order adopts the recommendation of the State of Colorado Oil and Gas Conservation Commission that portions of the "J" Sand Formation located in Adams, Arapahoe, and Elbert Counties, Colorado be designated as a tight formation under § 271.703(d).

EFFECTIVE DATE: This rule is effective August 11, 1983.

FOR FURTHER INFORMATION CONTACT: Jane M. Oliver, (202) 357-8316 or Victor H. Zabel, (202) 357-8616.

SUPPLEMENTARY INFORMATION:

In the matter of High-Cost Gas Produced from Tight Formations; Docket No. RM79-76-186 (Colorado—35) Order No. 313; Final Rule.

Issued: July 12, 1983.

The Commission hereby amends § 271.703(d) of its regulations to include portions of the "J" Sand Formation located in Adams, Arapahoe, and Elbert Counties, Colorado as a designated tight formation eligible for incentive pricing under § 271.703. The amendment was proposed in a Notice of Proposed Rulemaking by the Director, Office of Pipeline and Producer Regulation, issued February 28, 1983, 48 FR 9290 (March 4, 1983);¹ based on a recommendation by the State of Colorado Oil and Gas Conservation Commission (Colorado) in accordance with § 271.703, that portions of the "J" Sand Formation be designated as a tight formation.

Evidence submitted by Colorado supports the assertion that portions of the "J" Sand Formation located in Adams, Arapahoe, and Elbert Counties, Colorado meets the guidelines contained in § 271.703(c)(2). The Commission adopts the Colorado recommendation.

This amendment shall become effective August 11, 1983.

List of Subjects in 18 CFR Part 271

Natural gas, Incentive price, Tight formations.

(Department of Energy Organization Act, 42 U.S.C. 7101 *et seq.*; Natural Gas Policy Act of 1978, 15 U.S.C. 3301-3432; Administrative Procedure Act, 5 U.S.C. 553)

In consideration of the foregoing, Part 271 of Subchapter H, Chapter I, Code of Federal Regulations, is amended as set forth below.

By the Commission.
Kenneth F. Plumb,
Secretary.

PART 271—[AMENDED]

Section 271.703 is amended by adding paragraph (d)(139) to read as follows:

§ 271.703 Tight formations.

(d) *Designated tight formations.*

(139) "J" Sand Formation in Colorado RM79-76-186 (Colorado—35).

(i) *Delineation of formation.* The "J" Sand Formation is located in Adams, Arapahoe, and Elbert Counties, Colorado, approximately 12 miles east of the city of Denver. The "J" Sand Formation in Adams County underlies Township 2 South, Range 63 West, Sections 7, 18, 19, 30, 31 and S½ of Section 32; Township 2 South, Range 64 West, Sections 10 through 15, 22 through 27, and 34 through 36; Township 2 South, Range 65 West, Sections 25 through 36; Township 3 South, Range 63 West, Sections 1 through 12; Township 3 South, Range 64 West, Sections 1 through 36; Township 3 South, Range 65 West, Sections 1 through 36. In Arapahoe County the "J" Sand Formation underlies Township 4 South, Range 64 West, Sections 1 through 30 and 32 through 36; Township 4 South, Range 65 West, Sections 1 through 30; Township 5 South, Range 63 West, Sections 1 through 36; Township 5 South, Range 64 West, Sections 1 through 5, 8 through 17, 20 through 29, and 32 through 36; In Elbert County the subject formation underlies Township 6 South, Range 63 West, Sections 1 through 35; Township 6 South, Range 64 West, Sections 1 through 5, 8 through 17, 20 through 29, and 34 through 36; Township 7 South, Range 63 West, Sections 4 through 9, 16 through 21, and 28 through 33; Township 7 South, Range 64 West, Sections 1 through 3, 10 through 15, 22 through 27, and 34 through 36.

(ii) *Depth.* The "J" Sand Formation ranges in thickness from 40 to 95 feet, and begins at the base of the "D" Sand and extends to the top of the Skull Creek

Shale. The average depth to the top of the "J" Sand Formation is 8,100 feet.

(FR Doc. 83-19056 Filed 7-14-83; 8:45 am)

BILLING CODE 6717-01-M

18 CFR Part 271

[Docket No. RM79-76-148 (Oklahoma—5) Order No. 316]

High-Cost Gas Produced From Tight Formations; Oklahoma

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule.

SUMMARY: The Federal Energy Regulatory Commission is authorized by section 107(c)(5) of the Natural Gas Policy Act of 1978 to designate certain types of natural gas as high-cost gas where the Commission determined that the gas is produced under conditions which present extraordinary risks or costs. Under section 107(c)(5), the Commission issued a final regulation designating natural gas produced from tight formations as high-cost gas which may receive an incentive price (18 CFR 271.703). This rule established procedures for jurisdictional agencies to submit to the Commission recommendations of areas for designation as tight formations. This final order adopts the recommendation of the Oklahoma Corporation Commission that the "Jones Sand member" of the "Cleveland Sand" interval of the Skiatook Group located in Lincoln County, Oklahoma, be designated as a tight formation under § 271.703(d).

EFFECTIVE DATE: This rule is effective August 11, 1983.

FOR FURTHER INFORMATION CONTACT: Jane M. Oliver, (202) 357-8316 and C. W. Gray, Jr., (202) 357-8731.

SUPPLEMENTARY INFORMATION:

In the matter of High-Cost Gas Produced from Tight Formations; Docket No. RM79-76-148 (Oklahoma—5) Order No. 316; Final Rule.

Issued: July 12, 1983.

The Commission hereby amends § 271.703(d) of its regulations to include the "Jones Sand member" of the "Cleveland Sand" interval of the Skiatook Group located in Lincoln County, Oklahoma, as a designated tight formation eligible for incentive pricing under § 271.703. The amendment was proposed in a Notice of Proposed Rulemaking by the Director, Office of Pipeline and Producer Regulation, issued December 16, 1982 (46 FR 57056,

¹ Comments on the proposed rule were invited and one comment in support of Colorado's recommendation was received by the Commission in this docket. No one requested a public hearing and no hearing was held.

December 22, 1982)¹ based on a recommendation by the Oklahoma Corporation Commission (Oklahoma) in accordance with § 271.703, that the "Jones Sand member" of the "Cleveland Sand" interval of the Skiatook Group be designated as a tight formation.

Evidence submitted by Oklahoma supports the assertion that the "Jones Sand member" of this "Cleveland Sand" interval in the Skiatook Group located in Lincoln County, Oklahoma, meets the guidelines contained in § 271.703(c)(2). The Commission adopts Oklahoma's recommendation.

This amendment shall become effective August 11, 1983.

List of Subjects in 18 CFR Part 271

Natural gas, Incentive price, Tight formations.

(Department of Energy Organization Act, 42 U.S.C. 7101 *et seq.*; Natural Gas Policy Act of 1978, 15 U.S.C. 3301-3432; Administrative Procedure Act, 5 U.S.C. 553)

In consideration of the foregoing, Part 271 of Subchapter H, Chapter I, Code of Federal Regulations, is amended as set forth below.

By the Commission.
Kenneth F. Plumb,
Secretary.

PART 271—[AMENDED]

Section 271.703 is amended by adding paragraph (d)(140) to read as follows:

§ 271.703 Tight formations.

(d) Designated tight formations.

(140) "Jones Sand member" of the "Cleveland Sand" interval of the Skiatook Group in Oklahoma. RM79-76-148 (Oklahoma—5).

(i) *Delineation of formation.* The "Jones Sand member" of the "Cleveland Sand" interval is found in Sections 1 through 4 and 9 through 12, Township 13 North, Range 2 East; Sections 4 through 8, Township 13 North, Range 3 East; Sections 21 through 28 and 33 through 36, Township 14 North, Range 2 East; and Sections 19, 20 and 28 through 33, Township 14 North, Range 3 East, in Lincoln County, central Oklahoma. The "Jones Sand member" consists of three quartz sandstone zones ("upper," "middle" and "lower") and two interbedded zones of predominantly shale.

(ii) *Depth.* The depth of the designated interval ranges from 3,910 to 4,500 feet, and it is approximately 200 feet thick.

¹ Comments on the proposed rule were invited, and no comments were received. No one requested a public hearing and no hearings were held.

The top of the designated interval is overlain by a shale zone (ranging from 200 to 280 feet in thickness), the "Upper Cleveland sand" and the "Checkerboard limestone" of the Lower Skiatook Group; the base of the interval is underlain by a shale zone (ranging from 100 to 150 feet in thickness) which separates the "Oswego limestone" of the Marmaton Group (Des Moinesian age) from the "Lower Jones sand" zone.

[FR Doc. 83-19061 Filed 7-14-83; 8:45 am]

BILLING CODE 6717-01-M

18 CFR Part 271

[Docket No. RM79-76-169 (Texas—22 Addition III) Order No. 314]

High-Cost Gas Produced From Tight Formations; Texas

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Final rule.

SUMMARY: The Federal Energy Regulatory Commission is authorized by section 107(c)(5) of the Natural Gas Policy Act of 1978 to designate certain types of natural gas as high-cost gas where the Commission determined that the gas is produced under conditions which present extraordinary risks or costs. Under section 107(c)(5), the Commission issued a final regulation designating natural gas produced from tight formations as high-cost gas which may receive an incentive price (18 CFR 271.703). This rule established procedures for jurisdictional agencies to submit to the Commission recommendations of areas for designation as tight formations. This final order adopts the recommendation of the Railroad Commission of Texas that the Strawn-Detrital Formation located in Crockett County, Texas, be designated as a tight formation under § 271.703(d).

EFFECTIVE DATE: This rule is effective August 11, 1983.

FOR FURTHER INFORMATION CONTACT: Steven Ross (202) 357-8571, or Walter W. Lawson (202) 357-8556.

SUPPLEMENTARY INFORMATION:

In the matter of High-Cost Gas Produced From Tight Formations; Docket No. RM79-76-169 (Texas—22 Addition III) Order No. 314; Final rule.

Issued: July 12, 1983.

The Commission hereby amends § 271.703(d) of its regulations to include additional areas of the Strawn-Detrital Formation located in Crockett County, Texas, as a designated tight formation eligible for incentive pricing under

§ 271.703. The amendment was proposed in a Notice of Proposed Rulemaking by the Director, Office of Pipeline and Producer Regulation, issued March 1, 1983, [48 FR 9663, March 8, 1983]¹ based on a recommendation by the Railroad Commission of Texas (Texas) in accordance with § 271.703, that additional areas of the Strawn-Detrital Formation be designated as a tight formation.

Evidence submitted by Texas supports the assertion that additional areas of the Strawn-Detrital Formation meet the guidelines contained in § 271.703(c)(2). The Commission adopts the Texas recommendation.

This amendment shall become effective August 11, 1983.

List of Subjects in 18 CFR Part 271

Natural gas, Incentive price, Tight formations.

(Department of Energy Organization Act, 42 U.S.C. 7101 *et seq.*; Natural Gas Policy Act of 1978, 15 U.S.C. 3301-3432; Administrative Procedure Act, 5 U.S.C. 553)

In consideration of the foregoing, Part 271 of Subchapter H, Chapter I, Code of Federal Regulations, is amended as set forth below.

By the Commission.
Kenneth F. Plumb,
Secretary.

PART 271—[AMENDED]

Section 271.703 is amended by revising and combining paragraphs (d)(106)(i) and (d)(106)(iii). As revised, paragraph (d)(106)(i) reads as follows:

§ 271.703 Tight formations.

(d) Designated tight formations. * * * (106) Strawn-Detrital Formation in Texas. RM79-76 (Texas—22).

(i) University Block 31 (Strawn-Detrital) and Howards Creek (Penn) Fields.

(A) *Delineation of formation.* The Strawn-Detrital Formation in the area of the University Block 31 and Howards Creek Fields is located in Crockett County, Texas, Railroad Commission District 7C. The designated area consists of Sections 7, 8, 9, the south half of Section 10, Sections 16 through 20, the south half of Section 21, Sections 29 through 32, Block 30, University Lands Survey; all Sections in Block 31, University Lands Survey; Sections 1, 2, 3, the south half of Section 4, Sections 5

¹ Comments on the proposed rule were invited and one comment in support of the recommendation was received by the Commission in this docket. No one requested a public hearing and no hearing was held.