Proposed Rules

Federal Register
Vol. 69, No. 183
Wednesday, September 22, 2004

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

OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 531

RIN 3206–AJ45

General Schedule Locality Pay Areas

AGENCY: Office of Personnel Management.

ACTION: Proposed rule.

SUMMARY: The Office of Personnel Management is issuing proposed regulations on behalf of the President's Pay Agent to link the definitions of General Schedule locality pay area boundaries to the geographic scope of metropolitan area definitions established by the Office of Management and Budget. This proposal makes use of new criteria for evaluating areas adjacent to locality pay areas. The proposed regulations would retain all of the existing locality pay areas, which would be expanded to include a number of additional locations.

DATES: We must receive comments on or before November 8, 2004.

ADDRESSES: Send or deliver comments to Donald J. Winstead, Deputy Associate Director for Pay and Performance Policy, Office of Personnel Management, Room 7H31, 1900 E Street, NW., Washington, DC 20415–8200; FAX: (202) 606–4264; or e-mail: *pay-performance-policy@opm.gov.*

FOR FURTHER INFORMATION CONTACT: Allan Hearne, (202) 606–2838; FAX: (202) 606–4264; e-mail: *pay-performance-policy@opm.gov.*

SUPPLEMENTARY INFORMATION: Section 5304 of title 5, United States Code, authorizes locality pay for General Schedule (GS) employees with duty stations in the contiguous United States and the District of Columbia. By law, locality pay is set by comparing GS pay rates with non-Federal pay rates for the same levels of work in each locality pay area. Non-Federal pay levels are estimated by means of salary surveys conducted by the Bureau of Labor Statistics (BLS). Currently, there are 32 locality pay areas: 31 separate metropolitan locality pay areas and a Rest of U.S. (RUS) locality pay area that consists of all locations in the contiguous United States that are not part of one of the 31 separate metropolitan locality pay areas.

Section 5304(f) of title 5, United States Code, authorizes the President's Pay Agent (the Secretary of Labor, the Director of the Office of Management and Budget (OMB), and the Director of the Office of Personnel Management (OPM)) to determine locality pay areas. The boundaries of locality pay areas must be based on appropriate factors, which may include local labor market patterns, commuting patterns, and the practices of other employers. The Pay Agent must give thorough consideration to the views and recommendations of the Federal Salary Council, a body composed of experts in the fields of labor relations and pay policy and representatives of Federal employee organizations. The President appoints the members of the Federal Salary Council, which submits annual recommendations to the President's Pay Agent about the locality pay program.

Based on the Council's 1993 recommendations, the Pay Agent approved using Metropolitan Statistical Area (MSA) and Consolidated Metropolitan Statistical Area (CMSA) definitions established by OMB as the basis for defining GS locality pay areas. In the 1990s, OMB defined MSAs and CMSAs based on population size, population density, and commuting patterns. Each MSA consisted of a densely populated and highly integrated core composed of central counties and outlying counties with a high level of commuting to/from the central counties meeting certain population size/density criteria. CMSAs were composed of adjacent MSAs that met specified commuting criteria. The criteria for establishing MSAs in the 1990s are available on the Internet at: *http://www.census.gov/population/www/estimates/mastand.html.*

OMB defines MSAs to establish geographic standards to be used by all Federal agencies in reporting statistical data. MSAs are not specifically designed for use in any non-statistical program. Nevertheless, the Council and the Pay Agent concluded that MSAs should serve as the basis for locality pay areas because they were based on population and commuting patterns, two factors that are also important in defining local labor markets. Furthermore, MSAs already existed, were used in BLS salary survey programs, and covered large areas, all of which were thought to reduce the level of controversy over locality pay area boundaries and simplify Federal pay administration.

The Council also recommended and the Pay Agent approved criteria for adding adjoining areas to locality pay areas that were not part of the MSA or CMSA as defined by OMB. The Council's criteria for adding adjoining areas to locality pay areas were based on GS employment, population density, and commuting patterns. The criteria were intentionally made difficult to pass in order to limit the number of added areas because the use of MSAs and CMSAs already resulted in very large locality pay areas.

OMB redefines MSAs after each census and released new MSA definitions based on new criteria and 2000 census data in June 2003. Under the new criteria, OMB now identifies outlying counties for MSAs based only on commuting rates. Population size and population density are no longer considered. Any county where 25 percent or more of the resident workers commute to central counties, or 25 percent of the persons employed in the county commute from central counties, is included in the MSA. Adjacent highly-related MSAs where 25 percent or more resident workers commute to/from the adjacent MSA are now incorporated into Combined Statistical Areas (CSAs). Finally, OMB created a new category of Micropolitan Statistical Areas, which have a core population of less than 50,000. The new criteria for establishing MSAs are available on the Internet at: *http://www.whitehouse.gov/omb/fedreg/metroareas122700.pdf,* and the new MSA definitions can be found at: *http://www.whitehouse.gov/omb/bulletins/fy04/b04-03.html.*

Because MSAs are designed for statistical reporting purpose only, OMB cautions that other Federal agencies should carefully consider MSAs before using the definitions in their non-statistical programs. The Federal Salary Council's Working Group met six times and the full Council met twice in 2003 to review the new MSA definitions, new commuting pattern data from the 2000 census, and other information. In its

letter of October 28, 2003, to the President's Pay Agent, the Council recommended that the Pay Agent use the new MSA definitions in the locality pay program as the basis for defining locality pay areas in 2005 and beyond. The Council's recommendations can be found at: *http://www.opm.gov/oca/fsc/recommendation03.asp.*

The Council concluded that Micropolitan Areas that are not part of a CSA should not be considered in the locality pay program. The Pay Agent notes that some CSAs are composed solely of Micropolitan Areas. The Pay Agent concludes that Micropolitan Areas will be considered for the locality pay program only if they are part of a CSA that includes one or more MSAs.

The Council also recommended that full county MSAs be used in New England. In the 1990s, MSAs and CMSAs composed of townships had been used to define locality pay areas in New England.

The Pay Agent tentatively approved these recommendations of the Council in its 2003 Report to the President (see *http://www.opm.gov/oca/payagent/2003/index.asp*) and has asked OPM to revise subpart F of part 531 of title 5, Code of Federal Regulations, accordingly.

Effect of Adopting New MSA and CSA Definitions on Locality Pay Areas

Adopting the new MSA and CSA definitions would add the following counties to existing locality pay areas effective in January 2005:

Atlanta-Sandy Springs-Gainesville, GA Combined Statistical Area

Butts County, GA; Chambers County, AL; Dawson County, GA; Hall County, GA; Haralson County, GA; Heard County, GA; Jasper County, GA; Lamar County, GA; Meriwether County, GA; Pike County, GA; Polk County, GA; Troup County, GA; and Upson County, GA.

Boston-Worcester-Manchester, MA–NH Combined Statistical Area

Belknap County, NH; the remainder of Hillsborough, Merrimack, Rockingham, and Strafford Counties, NH; and the remainder of Worcester County, MA.

Chicago-Naperville-Michigan City, IL–IN–WI Combined Statistical Area

Jasper County, IN; LaPorte County, IN; and Newton County, IN.

Cincinnati-Middletown-Wilmington, OH–KY–IN Combined Statistical Area

Bracken County, KY; Clinton County, OH; and Franklin County, IN.

Columbus-Marion-Chillicothe, OH Combined Statistical Area

Fayette County, OH; Knox County, OH; Marion County, OH; Morrow County, OH; Ross County, OH; and Union County, OH.

Dallas-Fort Worth, TX Combined Statistical Area

Cooke County, TX; Delta County, TX; Palo Pinto County, TX; Somervell County, TX; and Wise County, TX.

Dayton-Springfield-Greenville, OH Combined Statistical Area

Champaign County, OH; Darke County, OH; and Preble County, OH.

Denver-Aurora-Boulder, CO Combined Statistical Area

Clear Creek County, CO; Elbert County, CO; Gilpin County, CO; and Park County, CO.

Hartford-West Hartford-Willimantic, CT Combined Statistical Area

The remainder of Hartford, Middlesex, Tolland, and Windham Counties, CT.

Houston-Baytown-Huntsville, TX Combined Statistical Area

Austin County, TX; Matagorda County, TX; San Jacinto County, TX; and Walker County, TX.

Huntsville-Decatur, AL Combined Statistical Area

Lawrence County, AL, and Morgan County, AL.

Indianapolis-Anderson-Columbus, IN Combined Statistical Area

Bartholomew County, IN; Brown County, IN; Henry County, IN; Jennings County, IN; Montgomery County, IN; and Putnam County, IN.

Kansas City-Overland Park-Kansas City, MO–KS Combined Statistical Area

Atchison County, KS; Bates County, MO; Caldwell County, MO; Franklin County, KS; Johnson County, MO; and Linn County, KS.

Miami-Fort Lauderdale-Miami Beach, FL Metropolitan Statistical Area

Palm Beach County, FL.

Minneapolis-St. Paul-St. Cloud, MN–WI Combined Statistical Area

Benton County, MN; Goodhue County, MN; McLeod County, MN; Rice County, MN; and Stearns County, MN.

New York-Newark-Bridgeport, NY–NJ–CT–PA Combined Statistical Area

The remainder of Litchfield County, CT, and Ulster County, NY.

Orlando-The Villages, FL Combined Statistical Area

Sumter County, FL.

Pittsburgh-New Castle, PA Combined Statistical Area

Armstrong County, PA, and Lawrence County, PA.

Portland-Vancouver-Beaverton, OR–WA Metropolitan Statistical Area

Skamania County, WA.

Richmond, VA Metropolitan Statistical Area

Amelia County, VA; Caroline County, VA; Cumberland County, VA, King and Queen County, VA; King William County, VA; Louisa County, VA; and Sussex County, VA.

Sacramento-Arden-Arcade-Truckee, CA–NV Combined Statistical Area

Douglas County, NV, and Nevada County, CA.

St. Louis-St. Charles-Farmington, MO–IL Combined Statistical Area

Bond County, IL; Calhoun County, IL; Macoupin County, IL; St. Francois County, MO; Washington County, MO.

San Jose-San Francisco-Oakland, CA Combined Statistical Area

San Benito County, CA.

Seattle-Tacoma-Olympia, WA Combined Statistical Area

Mason County, WA.

Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area

Frederick County, VA, the City of Winchester, VA; and Hampshire County, WV.

Criteria for Areas of Application

The Council also recommended changes in the criteria used to evaluate areas adjacent to an MSA-based locality pay area for inclusion in the pay area as one or more ''areas of application.'' The criteria currently in effect require that adjacent counties (or partial counties in New England) in the RUS locality pay area must have—

- 2,000 or more GS employees,
- a 5 percent or higher level of commuting to/from the core of the MSA, and
- 200 or more persons per square mile OR 80 percent of the population living in urbanized areas.

Under another criterion recommended by the Council and approved by the Pay Agent in the 1990s, the State of Rhode Island was evaluated under the county criteria as a single

county. There are also existing criteria for evaluating a Federal facility that crosses locality pay area boundaries. These criteria require that the portion of the facility outside the locality pay area must have—

- at least 1,000 GS employees,
- the duty stations of the majority of GS employees within 10 miles of the locality, and
- a significant number of employees who commute from the pay locality.

In its letter of October 28, 2003, the Council recommended new criteria for evaluating adjacent areas for inclusion in a locality pay area based on GS employment and commuting rates. In the Council's view, the most relevant criteria are GS employment and commuting rates. The GS employment criterion measures the magnitude of potential problems in terms of the Federal workforce, and the commuting criterion measures the economic linkage among the areas and the likely recruitment or retention problems that might result if the county is excluded from the adjacent locality pay area. The Council recommended that metropolitan areas adjacent to locality pay areas be evaluated first and that single adjacent counties be evaluated second.

Proposed New Criteria for Areas of Application

The Council recommended three new sets of criteria for evaluating adjacent areas:

1. *For adjacent MSAs and CSAs:* To be included in an adjacent locality pay area, an adjacent MSA or CSA currently in the RUS locality pay area must have at least 1,500 GS employees and an employment interchange measure of at least 7.5 percent.

2. *For adjacent counties that are not part of a multi-county MSA or CSA:* To be included in an adjacent locality pay area, an adjacent county that is currently in the RUS locality pay area must have at least 400 GS employees and an employment interchange measure of at least 7.5 percent.

3. *For Federal facilities that cross locality pay area boundaries:* To be included in an adjacent locality pay area, that portion of a Federal facility outside of a higher-paying locality pay area must have at least 750 GS employees, the duty stations of the majority of those employees must be within 10 miles of the separate locality pay area, and a significant number of those employees must commute to work from the higher-paying locality pay area.

For the purpose of evaluating areas under the Council's new criteria, OPM used a 4-quarter average of GS employment from its Central Personnel Data File. Commuting rates were calculated from data obtained from the Bureau of the Census. OPM used full MSAs and CSAs for calculating commuting rates, not central counties only. For calculating commuting rates, OPM used the Employment Interchange Measure defined by the Bureau of the Census as ''the sum of the percentage of employed residents of the smaller entity who work in the larger entity and the percentage of the employment in the smaller entity that is accounted for by workers who reside in the larger entity.''

Proposed New MSA-Based Areas of Application

Application of the Council's first set of criteria to adjacent MSAs and CSAs would result in the following MSAs being included in a separate metropolitan locality pay area:

Boston-Worcester-Manchester, MA-NH Combined Statistical Area

The Providence-New Bedford-Fall River, RI–MA MSA, composed of Bristol County, MA and all five counties in Rhode Island.

Denver-Aurora-Boulder, CO Combined Statistical Area

The Fort Collins-Loveland, CO MSA, composed of Larimer County, CO.

Hartford-West Hartford-Willimantic, CT Combined Statistical Area

The Springfield, MA MSA, composed of Franklin, Hampden, and Hampshire Counties, MA.

Los Angeles-Long Beach-Riverside, CA Combined Statistical Area

The Santa Barbara-Santa Maria-Goleta, CA MSA, composed of Santa Barbara County, CA.

San Jose-San Francisco-Oakland, CA Combined Statistical Area

The Salinas, CA MSA, composed of Monterey County, CA.

Washington-Baltimore-Northern Virginia, DC–MD–VA–WV Combined Statistical Area

The Hagerstown-Martinsburg, MD–WV MSA, composed of Washington County, MD, and Berkeley and Morgan Counties, WV.

New Single County Areas of Application

Application of the Council's second set of criteria to single counties that are not part of a multi-county MSA or CSA would result in the following counties being included in a separate metropolitan locality pay area:

Boston-Worcester-Manchester, MA–NH Combined Statistical Area

Barnstable County, MA.

Hartford-West Hartford-Willimantic, CT Combined Statistical Area

New London County, CT.

Indianapolis-Anderson-Columbus, IN Combined Statistical Area

Grant County, IN.

Miami-Fort Lauderdale-Miami Beach, FL Metropolitan Statistical Area

Monroe County, FL.

New York-Newark-Bridgeport, NY–NJ–CT–PA Combined Statistical Area

Monroe County, PA.

Philadelphia-Camden-Vineland, PA–NJ–DE–MD Combined Statistical Area

Kent County, DE.

Sacramento—Arden-Arcade—Truckee, CA–NV Combined Statistical Area

Carson City, NV.

San Jose-San Francisco-Oakland, CA Combined Statistical Area

San Joaquin County, CA.

Washington-Baltimore-Northern Virginia, DC–MD–VA–WV Combined Statistical Area

King George County, VA.

Effect on Federal Facilities That Cross County Lines

Application of the Council's third set of criteria would result in the continued inclusion of all of Edwards Air Force Base, CA, in the Los Angeles locality pay area.

Retained Areas

The Council also recommended that any county (or partial county in the case of portions of York County, ME) currently included in a metropolitan locality pay area be retained in the locality pay area if the county or partial county has an Employment Interchange Measure of 15 percent or more with the area covered by the new MSA or CSA definition. Application of this rule would result in the following areas being retained in separate metropolitan locality pay areas:

Boston-Worcester-Manchester, MA-NH Combined Statistical Area

Berwick town, Eliot town, Kittery town, South Berwick town, and York town in York County, ME.

Denver-Aurora-Boulder, CO Combined Statistical Area

Weld County, CO.

Detroit-Warren-Flint, MI Combined Statistical Area

Lenawee County, MI.

New York-Newark-Bridgeport, NY–NJ–CT–PA Combined Statistical Area

Warren County, NJ.

Philadelphia-Camden-Vineland, PA–NJ–DE–MD Combined Statistical Area

Atlantic County, NJ, and Cape May County, NJ.

Portland-Vancouver-Beaverton, OR-WA Metropolitan Statistical Area

Marion County, OR, and Polk County, OR.

Washington-Baltimore-Northern Virginia, DC–MD–VA–WV Combined Statistical Area

Culpeper County, VA.

Locality Pay Areas the Council Recommended Be Discontinued

Noting the disparity between Federal and non-Federal pay levels in the Kansas City, Orlando, and St. Louis locality pay areas as compared to the disparity in the RUS locality pay area, the Council recommended that the Pay Agent discontinue these three locality pay areas. The Pay Agent tentatively agreed to this change in its 2003 report to the President. Upon further review, however, the Pay Agent has determined that it would be advisable to continue to monitor the disparity between Federal and non-Federal pay levels in the Kansas City, Orlando, and St. Louis areas before determining whether those areas should be discontinued. The Pay Agent will seek the views of the Federal Salary Council on this matter and include its findings in its annual report to the President on the GS locality pay program later this year.

Impact and Implementation

The Pay Agent plans to implement the Council's recommendations on locality pay area boundaries, as described above, in January 2005. Overall, the proposed changes in locality pay area boundaries would move about 15,000 GS employees to metropolitan locality pay areas from the RUS locality pay area, and retain about 16,000 GS employees in metropolitan locality pay areas that would have been excluded if only the new MSA definitions were used.

In the event of a change in the geographic coverage of a locality pay area as a result of the addition by OMB of a new area(s) to the definition of an MSA or CSA or as the result of any change made by the President's Pay Agent in the definition of a locality pay area, the proposed regulations provide that any change in an employee's entitlement to a locality rate of pay will be made effective as of the first pay period that begins on or after January 1 of the next calendar year. In addition, the proposed regulations provide that any area removed by OMB from coverage within an MSA or CSA that serves as the basis for defining a locality pay area must be reviewed by the Federal Salary Council and the President's Pay Agent before a decision is made regarding the locality pay status of that area.

E.O. 12866, Regulatory Review

The Office of Management and Budget has reviewed this rule in accordance with E.O. 12866.

Regulatory Flexibility Act

I certify that these regulations would not have a significant economic impact on a substantial number of small entities because they would apply only to Federal agencies and employees.

List of Subjects in 5 CFR Part 531

Government employees, Law enforcement officers, Wages.

Office of Personnel Management.

Kay Coles James,

Director.

Accordingly, OPM is proposing to amend 5 CFR part 531 as follows:

PART 531—PAY UNDER THE GENERAL SCHEDULE

1. The authority citation for part 531 continues to read as follows:

Authority: 5 U.S.C. 5115, 5307, and 5338; sec. 4 of Pub. L. 103–89, 107 Stat. 981; and E.O. 12748, 56 FR 4521, 3 CFR, 1991 Comp., p. 316; Subpart B also issued under 5 U.S.C. 5303(g), 5333, 5334(a), and 7701(b)(2); Subpart C also issued under 5 U.S.C. 5304, 5305, and 5553; sections 302 and 404 of Federal Employees Pay Comparability Act of 1990 (FEPCA), Pub. L. 101–509, 104 Stat. 1462 and 1466; and section 3(7) of Pub. L. 102–378, 106 Stat. 1356; Subpart D also issued under 5 U.S.C. 5335(g) and 7701(b)(2); Subpart E also issued under 5 U.S.C. 5336; Subpart F also issued under 5 U.S.C. 5304, 5305(g)(1), and 5553; and E.O. 12883, 58 FR 63281, 3 CFR, 1993 Comp., p. 682 and E.O. 1306, 63 FR 68151, 3 CFR, 1998 Comp., p. 224; Subpart G also issued under 5 U.S.C. 5304, 5305, and 5553; section 302 of the FEPCA, Pub. L. 101–509, 104 Stat. 1462; and E.O. 12786, 56 FR 67453, 3 CFR, 1991 Comp., p. 376.

Subpart F—Locality-Based Comparability Payments

2. In § 531.602, the definition of *CMSA* is removed, a definition of *CSA* is added, and the definition of *MSA* is revised to read as follows:

§ 531.602 Definitions.

* * * * *

CSA means the geographic scope of a Combined Statistical Area, as defined by the Office of Management and Budget (OMB) in OMB Bulletin No. 04–03, plus any areas subsequently added to the CSA by OMB.

* * * * *

MSA means the geographic scope of a Metropolitan Statistical Area, as defined by the Office of Management and Budget (OMB) in OMB Bulletin No. 04–03, plus any areas subsequently added to the MSA by OMB.

* * * * *

3. In § 531.603, paragraph (b) is revised to read as follows:

§ 531.603 Locality pay areas.

* * * * *

(b) The following are locality pay areas for purposes of this subpart:

(1) Atlanta-Sandy Springs-Gainesville, GA–AL—consisting of the Atlanta-Sandy Springs-Gainesville, GA–AL CSA;

(2) Boston-Worcester-Manchester, MA–NH–ME–RI—consisting of the Boston-Worcester-Manchester, MA–NH CSA, plus the Providence-New Bedford-Fall River, RI–MA MSA, Barnstable County, MA, and Berwick, Eliot, Kittery, South Berwick, and York towns in York County, ME;

(3) Chicago-Naperville-Michigan City, IL–IN–WI—consisting of the Chicago-Naperville-Michigan City, IL–IN–WI CSA;

(4) Cincinnati-Middletown-Wilmington, OH–KY–IN—consisting of the Cincinnati-Middletown-Wilmington, OH–KY–IN CSA;

(5) Cleveland-Akron-Elyria, OH—consisting of the Cleveland-Akron-Elyria, OH CSA;

(6) Columbus-Marion-Chillicothe, OH—consisting of the Columbus-Marion-Chillicothe, OH CSA;

(7) Dallas-Fort Worth, TX—consisting of the Dallas-Fort Worth, TX CSA;

(8) Dayton-Springfield-Greenville, OH–sconsisting of the Dayton-Springfield-Greenville, OH CSA;

(9) Denver-Aurora-Boulder, CO—consisting of the Denver-Aurora-Boulder, CO CSA, plus the Ft. Collins-Loveland, CO MSA and Weld County, CO;

(10) Detroit-Warren-Flint, MI—consisting of the Detroit-Warren-Flint, MI CSA, plus Lenawee County, MI;

(11) Hartford-West Hartford-Willimantic, CT–MA—consisting of the Hartford-West Hartford-Willimantic, CT CSA, plus the Springfield, MA MSA and New London County, CT;

(12) Houston-Baytown-Huntsville, TX—consisting of the Houston-Baytown-Huntsville, TX CSA;

(13) Huntsville-Decatur, AL—consisting of the Huntsville-Decatur, AL CSA;

(14) Indianapolis-Anderson-Columbus, IN—consisting of the Indianapolis-Anderson-Columbus, IN CSA, plus Grant County, IN;

(15) Kansas City-Overland Park-Kansas City, MO–KS—consisting of the Kansas City-Overland Park-Kansas City, MO–KS CSA;

(16) Los Angeles-Long Beach-Riverside, CA—consisting of the Los Angeles-Long Beach-Riverside, CA CSA, plus the Santa Barbara-Santa Maria-Goleta, CA MSA and all of Edwards Air Force Base, CA;

(17) Miami-Fort Lauderdale-Miami Beach, FL—consisting of the Miami-Fort Lauderdale-Miami Beach, FL MSA, plus Monroe County, FL;

(18) Milwaukee-Racine-Waukesha, WI—consisting of the Milwaukee-Racine-Waukesha, WI CSA;

(19) Minneapolis-St. Paul-St. Cloud, MN–WI—consisting of the Minneapolis-St. Paul-St. Cloud, MN–WI CSA;

(20) New York-Newark-Bridgeport, NY–NJ–CT–PA—consisting of the New York-Newark-Bridgeport, NY–NJ–CT–PA CSA, plus Monroe County, PA, and Warren County, NJ;

(21) Orlando-The Villages, FL—consisting of the Orlando-The Villages, FL CSA;

(22) Philadelphia-Camden-Vineland, PA–NJ–DE–MD—consisting of the Philadelphia-Camden-Vineland, PA–NJ–DE–MD CSA, plus Kent County, DE, Atlantic County, NJ, and Cape May County, NJ;

(23) Pittsburgh-New Castle, PA—consisting of the Pittsburgh-New Castle, PA CSA;

(24) Portland-Vancouver-Beaverton, OR–WA—consisting of the Portland-Vancouver-Beaverton, OR–WA MSA, plus Marion County, OR, and Polk County, OR;

(25) Richmond, VA—consisting of the Richmond, VA MSA;

(26) Sacramento—Arden-Arcade—Truckee, CA–NV—consisting of the Sacramento—Arden-Arcade—Truckee, CA–NV CSA, plus Carson City, NV;

(27) St. Louis-St. Charles-Farmington, MO–IL—consisting of the St. Louis-St. Charles-Farmington, MO–IL CSA;

(28) San Diego-Carlsbad-San Marcos, CA—consisting of the San Diego-Carlsbad-San Marcos, CA MSA;

(29) San Jose-San Francisco-Oakland, CA—consisting of the San Jose-San Francisco-Oakland, CA CSA, plus the Salinas, CA MSA and San Joaquin County, CA;

(30) Seattle-Tacoma-Olympia, WA—consisting of the Seattle-Tacoma-Olympia, WA CSA;

(31) Washington-Baltimore-Northern Virginia, DC–MD–VA–WV—consisting of the Washington-Baltimore-Northern Virginia, DC–MD–VA–WV CSA, plus the Hagerstown-Martinsburg, MD–WV MSA, Culpeper County, VA, and King George County, VA; and

(32) Rest of U.S.—consisting of those portions of the continental United States not located within another locality pay area.

4. In § 531.606, paragraph (g) is revised to read as follows:

§ 531.606 Administration of locality rates of pay.

* * * * *

(g) In the event of a change in the geographic coverage of a locality pay area as a result of the addition by OMB of a new area(s) to the definition of an MSA or CSA or as the result of any change made by the President's Pay Agent in the definition of a locality pay area, the effective date of any change in an employee's entitlement to a locality rate of pay under this subpart is the first day of the first pay period beginning on or after January 1 of the next calendar year. Any area removed by OMB from coverage within an MSA or CSA that serves as the basis for defining a locality pay area must be reviewed by the Federal Salary Council and the President's Pay Agent before a decision is made regarding the locality pay status of that area.

* * * * *

[FR Doc. 04–21302 Filed 9–17–04; 2:47 pm]

BILLING CODE 6325–39–P

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

7 CFR Part 1032

[Docket No. AO–313–A48; DA–04–06]

Milk in the Central Marketing Area; Notice of Hearing on Proposed Amendments To Tentative Marketing Agreement and Order

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Proposed rule; Notice of public hearing on proposed rulemaking.

SUMMARY: A public hearing is being held to consider proposals that would amend certain pooling and related provisions of the Central Federal milk marketing order (Order 32). Proposals under consideration would: modify performance standards for supply plants, adjust diversion limits, modify the ''touch base'' provision, limit the pooling of milk that was not pooled in prior months and establish transportation and assembly credits for the order. Additional proposals under consideration would: Eliminate all supply plant provisions, establish a ''dairy farmer for other markets'' provision, eliminate or modify ''split plant'' provisions, eliminate or modify system pooling for supply plants and modify the payment date from the producer settlement fund to handlers.

DATES: The hearing will convene at 1 p.m. on Monday, October 18, 2004.

ADDRESSES: The hearing will be held at the Hilton Kansas City Airport, 8801 NW. 112th Street, Kansas City, Missouri 64153; (816) 891–8900.

FOR FURTHER INFORMATION CONTACT: Jack Rower, Marketing Specialist, Order Formulation and Enforcement Branch, USDA/AMS/Dairy Programs, Stop 0231—Room 2971, 1400 Independence Avenue, SW., Washington, DC 20250–0231, (202) 720–2357, e-mail address: *Jack.Rower@usda.gov*.

Persons requiring a sign language interpreter or other special accommodations should contact Bob Vanderlinden at (913) 495–9313 or Dave Stukenberg at (913) 495–9326; e-mail *market.administrator@fmmacentral.com* before the hearing begins.

SUPPLEMENTARY INFORMATION: This administrative action is governed by the provisions of sections 556 and 557 of Title 5 of the United States Code and, therefore, is excluded from the requirements of Executive Order 12866.

Notice is hereby given of a public hearing to be held at the Hilton Kansas City Airport, 8801 NW. 112th Street, Kansas City, Missouri 64153; (816) 891–8900, beginning at 1 p.m., on Monday, October 18, 2004, with respect to proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Central milk marketing area.

The hearing is called pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900).

The purpose of the hearing is to receive evidence with respect to the economic and marketing conditions that relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreement and to the order.